

A WARREN
BATHROOM
IS A
BEAUTIFUL
BATHROOM

C. E. WARREN & CO., LTD.

China Building. Tel. 20269.

for The South China Morning Post, Ltd.,
1 & 3, Wyndham Street, Hongkong.

The Hongkong Telegraph.

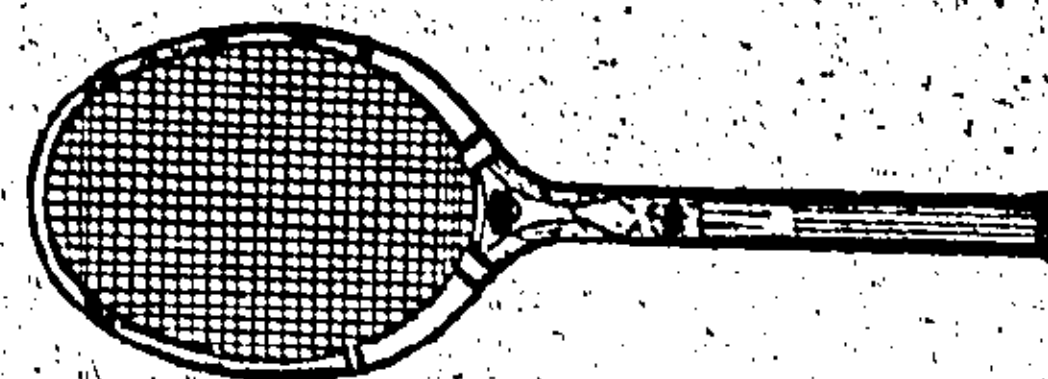
FOUNDED 1861
NO. 24,121

五拜禮 號十二月六英港香 FRIDAY, JUNE 20, 1930.

Dollar on Demand—1/3 1/4
Light Up Time—4:40 p.m.
High Water—3:50 p.m.
Low Water—11:00 p.m.

THE LATEST IN TENNIS

Ask your
Sports dealer about the
New patent Stringing:



—Unaffected by tropical rain. Complete sets
—Unbreakable. of Dunlop
—No food for Gookroaches. Stringing, ob-
—Competitive in Price. tainable from
—And, Patented by Dunlop. any Sports
Dealer.

BOBBY JONES IN THE LEAD.

FAULTLESS PLAY IN CHAMPIONSHIP.

ROBSON REVIVES WEAKENING BRITISH CHALLENGE.

DUNCAN'S FAILURE.

London, June 19.
The Open Golf Championship was resumed at Hoylake to-day when a crowd of 8,000 spectators followed some of the players. Archie Compston was one of the earliest starters in the morning and he returned a card for the 36 holes of 147, doing the last 18 in 73.

He took five strokes at the first where he cut an iron shot out of bounds and at the fifth and eleventh also took five. At the twelfth he pulled his tee shot to the seashore and had a lucky four. He did the thirteenth in two, however, and holed his pitch shot two holes later after a bad drive.

Bobby Jones played faultless golf to-day and retained the lead by returning a card for the 36 holes of 142. He followed up his record 70 with a 72 to-day. Horton Smith pulled up to 145, being 73 for the second eighteen. Cotton dropped back, however, and failed by nine strokes to equal his previous performance. Cotton was unable to keep out of the rough and he took five at the fifth, sixth and eighth. He went out in 41 and came in with a 38.

Faulty Driving.

MacDonald Smith went out in 40. He had a six at the fourth hole and was four at the short seventh. He recovered later on, though, and came in with a total of 77. Jim Barnes suffered from faulty driving when he was coming in and he prejudiced his chances by returning a card of 77 after his former round of 71.

The day's best round was that of Cyril Tolley who did the 18 in 71, being one stroke better than Bobby Jones. Jones took five at the first hole and six at the long third where he pulled his shot into a clump of rushes. After this, however, he was dead true with his shots and got an occasional birdie. He never exceeded par and was uproariously cheered on gaining the leadership.

Robson Gives Hope.

Robson stiffened the weakening British challenge with a superlative two under fours up to the thirteenth. Later on he only wanted two fours to tie Jones, but he was too sparing with his approach shot at the fifth where he went down in five. He missed a putt by two inches at the eighteenth for a three.

The outstanding failures to-day included Von Elm who was 160, Major Hezlet 165 and George Duncan 161.

The Leaders.

The leaders over the 36 holes are given below:		
Bobby Jones	70	72 142
Robson	71	72 143
Horton Smith	72	73 145
MacDonald Smith	70	77 147
Donald Moe	74	73 147
Rodgers	74	73 147
Leo Diegel	74	73 147
Archie Compston	74	73 147
Jim Barnes	71	77 148
Cotton	70	79 149
Percy Allis	75	74 149
C. Whitcombe	74	75 149
Reg. Whitcombe	78	72 150
Boyer	73	77 150
Mitchell	75	78 153

The above have definitely qualified already. Other scores, among which there will be other qualifiers, were:

W. Sutton	76	78 154
Cyril Tolley	84	71 155
Lester Hartley	79	78 157
G. Duncan	85	76 161
Rex Hartley	79	84 163

BANK REDUCES RATE.

New York, June 19.
The Federal Reserve Bank has reduced its rate to two and a half per cent.—*Reuter's American Service.*

MAINTENANCE OF WIFE.

AGREEMENT VARIED BY A SHANGHAI COURT.

PURSER'S EARNINGS.

Shanghai, June 20.
In the British Court yesterday, before Judge Sir Peter Grain, Mrs. Ruth Annie Trevor Smith claimed against her husband, Mr. John Trevor Smith, for arrears in payment due under a separation agreement made previous to a decree nisi being granted on February 25.

It was alleged that under the agreement Mr. Smith was to allow his wife a sum of \$300 a month from his total earning of \$350 as a purser, on the condition that she consented to a separation.

This basis of agreement was continued until February when a sum of \$180 was paid into Court together with a statement that further payments on the original basis were impossible.

The defence was that no margin was left for Mr. Smith for living expenses and that a sum of \$180 a month was ample for the support of his wife and child.

His Lordship varied the agreement, providing an allowance of \$200 for Mrs. Smith.—*Our Own Correspondent.*

CLOSER UNION IN EAST AFRICA.

HIGH COMMISSIONER TO BE APPOINTED.

London, June 19.
A White Paper has been issued which gives the conclusions of His Majesty's Government as to the closer union in East Africa which has been in the air since the end of the war when Britain accepted the mandate of Tanganyika.

The Government proposes to appoint a High Commissioner to supervise Kenya, Tanganyika and Uganda, assisted in respect of certain transferred services in all the three territories by a Legislative Council composed of equal number of representatives from the three territories.

The High Commissioner will be the permanent Chairman of the Council and a conference of Governors will be empowered to veto or initiate any legislative measure, subject to the submission of any such measure to the Secretary of State.

The foregoing will be submitted to a joint Parliamentary Committee which is to be established and which will recommend any necessary changes in the constitutions of the three territories.—*Reuter.*

SCHMELING WORLD'S CHAMPION.

OFFICIALLY RECOGNISED BY COMMISSION.

New York, June 19.
The Boxing Commission has officially passed a resolution by two votes to one recognising Schmeling as the world's champion. The Chairman admitted that the public would probably not recognise him until he met a worthy challenger.

Replying to the Commission's action, Jack Sharkey offers to sign up for a return match immediately, taking twelve and a half per cent. of the receipts against Schmeling's thirty-seven and a half per cent. if he fouls the German.

Sharkey offers to pay the expenses of the preliminaries plus overhead charges for a third. If he is fouled he says he will not accept the decision.—*Reuter's American Service.*

ASCOT RACING.

WIN FOR LORD DERRBY'S BOSWORTH.

London, June 19.
At Ascot to-day, the race for the Selected Gold Cup, over a distance of two and a half miles, resulted as follows:

Bosworth came home a length in front of Hot Weed, which was trained in France. There were seven starters.

The betting was 3/1 Bosworth, 3/1 Hot Weed, 6/1 The Bastard.—*British Wireless.*

MATHEMATICS IN COURT.

CALCULATIONS MADE IN HOTEL CASE.

MR. RASEY REQUESTED NOT TO ARGUE.

PREVIOUSLY RATTLED.

Complicated calculations were dealt with by Mr. Rasey when cross-examined this morning by Mr. Potter, when the refrigeration action was resumed in the Supreme Court before the Chief Justice (Sir Joseph Kemp). At the beginning of this morning's hearing, Mr. Rasey gave an explanation with regard to the calculation given yesterday regarding fish storage, but this explanation was inaudible in the press box. He stated that the result was 2.5 days.

Mr. Potter:—The present calculation is taking it at 50 degrees going in and bringing it down to 28 degrees?—Yes.

When did you learn all this?—I knew it yesterday. I was rattled and forgot it.

You did not look like a person who was rattled. However, we won't bother about that. Have you been considering this since the adjournment of the Court?—Yes.

In conjunction with Mr. Hacker?—Yes.

At what point do you suggest latent heat must be extracted from fish?—At about 15 degrees.

Use of Common Sense.

On your oath you knew it yesterday?—Yes.

On your oath you forgot it?—Yes.

Although you gave my Lord an explanation of what latent heat meant?—Yes.

Now will you work out for me the number of B.T.U.s required in bringing down a ton of fish from 90 degrees to 15 degrees.

Commenting on this, Mr. Rasey said:—"The fact is, Mr. Potter, you must use common sense when you are doing it."

Mr. Potter:—Look here, Mr. Rasey, I am afraid I must leave you to his Lordship if you won't answer my questions.

His Lordship repeated Mr. Potter's question. Mr. Potter adding that he wanted witness to leave latent heat out of his calculation because Mr. Rasey suggested that down to 15 degrees he would not extract latent heat. Replying to Mr. Potter, witness said he had previously stated that latent heat was not extracted from fish until a temperature between 12 and 18 degrees had been reached, the authorities varying in opinion. Witness added that he always took the temperature of 15 degrees.

More Exchanges.

Concerning another remark made by witness, Mr. Potter said:—"Please don't argue with me. It does not matter whether we are sensible people or not."

Mr. Rasey:—"Please don't take it that way because that is not the way I meant it."

Mr. Potter:—"I don't care how it is meant, Mr. Rasey. I want you just to answer my question."

Mr. Potter:—"If 18 degrees is the point at which you commence to extract latent heat, then to reduce fish to the temperature contracted for in this case, 15 degrees, you would extract latent heat?—Yes."

Now, will you kindly work out for me what I asked you before without extracting latent heat at all?

Mr. Rasey worked the problem out and said it would take 8.5 days to reduce the temperature.

"That is Farce."

When Mr. Potter pointed out that on Mr. Hacker's figures it worked out to ten or eleven days, witness said he did not agree with Mr. Hacker. Witness explained his calculation in detail after which Mr. Potter said:—"On that calculation it would take eight and a half days to reduce the fish to a temperature of 15 degrees from 90 degrees?—Yes."

I put it to you that is a farce because the fish would be bad?—No, it would not.

In further cross-examination, Mr. Potter pointed out that according to the blue slip, produced by Mr. Hacker on which he

BALDWIN WRITES TO PREMIER.

REFUSAL TO CO-OPERATE ON UNEMPLOYMENT.

REASONS OUTLINED.

London, June 19.
Mr. Stanley Baldwin, the Conservative leader, has to-day written a letter to the Prime Minister explaining why the Conservative Party declines to accept the invitation to take part in a three-party conference on unemployment which was made by the Premier in the House of Commons last night and accepted by Mr. Lloyd George on behalf of the Liberals.

No official statement is available, but it is understood that one of the principal reasons put forward by Mr. Baldwin for refusing Mr. MacDonald's offer is that the Government will not consider a safeguarding policy as a remedy for unemployment.

Miss Bondfield, the Minister of Labour, stated in the House of Commons to-day that the number of persons classified as belonging to

CUSTOMS CLOSED AT TIENTSIN.

Government Orders Staff to be Withdrawn.

CLEARANCE OF CARGO.

Shanghai, June 20.
The Commissioner of Customs has issued the following orders of the Nationalist Government:

- (1) That the Tientsin Customs House be closed temporarily.
- (2) That the staff there be withdrawn; and
- (3) Cargo destined for Tientsin will be released upon the liquidation of all fiscal obligations.—*Reuter.*

the iron and steel industries registered as unemployed in Great Britain was 68,000.

Mr. Lloyd George announced his acceptance of the Premier's offer in the House of Commons on Wednesday when he also accepted the condition that responsibility for action regarding unemployment should remain with the Government. He described the suggestion as practical and businesslike. Mr. Baldwin did not speak on that occasion, although it was understood even then that he had refused to fall in with the Prime Minister's offer after consulting leading Conservatives.—*British Wireless.*

LEAGUE OF NATIONS ASSEMBLY.

PERSONNEL OF BRITISH DELEGATION.

London, June 19.
The Premier announced in the House of Commons that the chief British delegates to the forthcoming Assembly of the League of Nations would be Mr. Arthur Henderson, Foreign Secretary, Mr. W. Graham, President of the Board of Trade; Viscount Cecil, and Miss Susan Lawrence, Parliamentary Secretary to the Ministry of Health.—*British Wireless.*

MORE SHIPBUILDING ON TYNE.

29 VESSELS LAUNCHED IN FIVE MONTHS.

London, June 19.
Twenty-nine vessels, totalling 138,000 tons, were launched from Tyne shipbuilding yards during the past five months, being an increase of two vessels and 49,000 tons compared with the corresponding period of last year.—*British Wireless.*

FAIR TO SHOWERY.

The Royal Observatory reports that pressure is highest in the neighbourhood of the Bonina. A depression covers China. The local forecast is:—South winds, moderate; fair to showery.

CALCUTTA SWEEP TICKETS.

OUTCRY OVER WRONG NUMBERS.

SOME OF THE PRIZE-WINNERS IDENTIFIED.

DUSTMAN'S LUCK.

Calcutta, June 4.
There is a great outcry throughout India over the publication of wrong numbers of the Derby Sweep drawers of horses, owing to the hole-and-corner methods said to be obtaining.

There is a strong feeling here that the Turf Club should obviate such confusion by publishing the numbers immediately after the draw.

Newspaper correspondents are forced to adopt subterfuges to obtain the numbers, so inaccuracy is not to be wondered at.

London, June 4.
The Calcutta Turf Club's policy of secrecy in connexion with the sweep draw is arousing widespread feeling in South Africa, where numerous tickets were sold. South African support for the sweep is likely considerably to dwindle next year, as unauthorised lists which were cabled from London and Calcutta and published there resulted in much confusion and bitter disappointments at Cape Town.

Three Cheshire bricklayers who believed at first that they had drawn a "Diolette" ticket, had their hopes shattered later by the news correcting the number.

Workmen Disappointed.

London, June 5.
Two machinists employed in a motor works at Coventry are among the disillusioned as a result of the publication of the correct numbers of the Calcutta Sweep. They had been rejoicing at drawing Blenheim.

The news that their number does not appear in the list was, however, received with incredulity in Coventry.

The basis for this disbelief was the attitude maintained by the bank through which the ticket was obtained.

It was reported earlier that they had sold a half share in the ticket for £2,600.

Roadsweeper's Luck.

London, June 5.
A roadsweeper, J. Lock, one of seven shareholders in a Blenheim ticket in the Calcutta Sweep, was pushing his dust cart in the street when the result of the Derby (in which Blenheim won by one length from Iliad and two from Diolette) was announced. A crowd gathered and suggested that he should leave his cart in the street.

Lock, however, said:—"I have been glad of my job in the past eight years and I will finish it in a proper manner."

Two Iliad tickets in the Calcutta Sweep are held in Britain, one by a Leeds solicitor, Mr. H. Dods, who shared it with four friends, but sold half of his share, and the other by a Glasgow restaurateur, Mr. J. F. Bell, who also sold a half-share.

Three men of Port Shephote near Durban (South Africa) anticipate that they will share £260,000 through drawing Iliad in the Calcutta Sweep.

Civil Servants' Win.

A big syndicate of Civil Servants at Whitehall drew Ballyferus in the Calcutta Sweep and sold a portion of their ticket for £2,500.

A septuagenarian farmer named Kirton, of Noorder Paarl, Cape Province, was informed by cable that he had drawn Ruston Pasha. This was his ticket in the Calcutta Sweep. A fortune-teller told him 40 years ago that a great fortune would greet his old age.

Mr. H. C. Reeves, a sixty-year-old insurance agent of Leighton Buzzard, drew a Diolette ticket in the Calcutta Sweep and sold it for £20,000.

Engine Driver Draws Blenheim.

An engine-driver of Devonshire drew Blenheim and a ship's steward of Liverpool, now at sea, drew Dick Swirell.—*(Continued on Page 16.)*

FINE BOWLING BY FREEMAN.

WARWICK OVERWHELMED BY KENT BOWLER.

SURREY IN A HOLE.

London, June 19.
The Australians are in a strong position at the end of the second day's play in their match with Surrey at the Oval.

Rain interfered on the first day and this morning Surrey resumed with their score at 140 for the loss of five wickets. Shepherd had contributed 56 of these.

The remaining Surrey batsmen were rapidly dismissed to-day, however. The other five wickets fell for the addition of only 22 runs, the innings closing at 162. Grimmett was largely responsible for Surrey's collapse, taking six wickets for 24 runs.

Woodfull gave a bright batting display for the Australians and was not defeated until he had made 141. At the close of play to-day the Australians were 331 for five wickets.

Kent overwhelmed Warwick in the County fixture which came to an end to-day, the margin of victory being an innings and 120 runs. Freeman gave another fine bowling display for Kent and took eight of the Warwick wickets for 71 runs, the whole team being sent back for 149.

Kent piled up a total of 429 in their first innings. Ashdown batting well for 133. Todd missed his century by six, being sent back when his score stood at 94.

The Warwick batsmen were still unable to do anything with Freeman's bowling when they went in again and in their second innings they made only 160. Freeman this time taking six wickets for 72 runs, his average for the match being 14 for 143.—*Reuter.*

DEATH OF MR. R. W. ROBERTSON.

COLLAPSE IN A SHANGHAI MASSAGE HOUSE.

Shanghai, June 20.

The death occurred under tragic circumstances yesterday of Mr. Randall W. Robertson, the well known Shanghai exchange broker, who was found dead in a massage establishment on the second floor of 46a Peking Road shortly before five o'clock in the evening.

It appears that Mr. Robertson intended to receive treatment for a muscular complaint. When the proprietor of the massage establishment opened the door Mr. Robertson stumbled across the threshold and collapsed in an inner room.

Dr. Price was immediately summoned and he pronounced life extinct, giving it as his opinion that the cause of death was a paralytic stroke. An inquest is being held to-day.—*Our Own Correspondent.*

BYRD WELCOMED IN AMERICA.

POPULAR DEMONSTRATIONS ON HIS RETURN.

New York, June 19.

Screaming sirens of all manner of craft in the harbour, aeroplanes roaring overhead and cheering crowds in the streets marked the welcome accorded to the members of the Byrd Expedition on the occasion of their homecoming. Mayor Walker received the members of the expedition at the City Hall and officially congratulated Commander Byrd.—*Reuter's American Service.*

NEW AUSTRALIAN TARIFFS.

BIG ADDITIONAL TAX ON SHIPPING.

Canberra, June 19.

The Hon. Mr. Michael Forde has introduced a new Customs schedule in which duties are increased in 118 lines and decreased in eight lines. The new scale of tariffs is to become operative immediately. The duties on ships over ten thousand tons trading in Australian waters are doubled. The increase affects, among other things, rice, dressed timber and coal matting.—*Reuter.*

TSINAN POSITION CRITICAL.

REBELS NOW WITHIN FIFTY MILES.

NATIONALISTS PREPARE FOR FINAL BATTLE.

A GENERAL SECEDES.

Shanghai, June 19.
Conditions at Tsinanfu remain exceedingly critical, and, according to latest messages, the Shansi rebel forces are only fifty miles from the city.

The railway track at Changkai-kow has been damaged by the Shansi rebels, rendering it impossible for the Nationalist reinforcements to proceed from Hsuehchow to Tsinanfu.

The Shansi commanders are confident that the fall of Tsinanfu will be effected some time this week-end, while the Nationalist forces under General Han Fu-chu are said to have withdrawn all the troops from the environs into the city proper in readiness for a final battle with the rebels.

General's Defection.

Shansi reports from Peking have confirmed the defection of the large contingents of Nationalist troops under General Hsu Yuan-chuen, stating that the five thousand troops under this General was almost annihilated while fighting along the Peking-Hankow Railway and the Nationalist General had no alternative but to ask for amalgamation of the remnants with the Kuominchun Army.

Continuing, the Shansi reports say that General Hsu Yuan-chuen has been appointed by Marshal Yu-hsiang as Commander of the 18th Kuominchun Army Route and will direct his army, together with some reinforcements from the Kuominchun forces, to invade Hankow by coming down from the Peking-Hankow Railway.

Prevailing Lull.

A comparative lull has prevailed along the Peking-Hankow Railway since the Kuominchun occupation of Yencheng, early this week, but the Nationalist forces are concentrating at Sinciang and Hsuehchang.

At Sinyangchow, the Nationalist forces are massing heavy artillery in anticipation of further defeats on the upper sections of this Railway. The expresses from Hankow are working normally and trains are able to proceed to Yencheng but cannot get any further.

A number of aeroplanes ordered from American firms by the Aviation Department of the National Government has arrived at Shanghai and this morning they were commissioned to leave for the Tientsin-Pukow Railway front.

Peking Government.

Concerning the formation of a Peking Government by the Kuomintang Leftists, Kuominchun and Shansi militarists, Marshal Yen Hsi-shan made a statement at Taiyuanfu yesterday to the effect that he had definitely given up the intention of forming an anti-Nationalist Government prior to the conclusion of his campaign in Honan and Shantung.

Marshal Yen added that there was a possibility of the Kuomintang Leftists forming a Government and in this connexion they would have the full support of the Shansi militarists, although the latter declined to act independently in the matter.

Being military officers, the Shansi and Kuominchun leaders would concentrate their attention on the fighting against the Nationalist Army and would leave the matter to the Kuomintang politicians.

Marshal Yen further said that for some time past there has been considerable agitation amongst the people denouncing the militarists' muddling in politics. The above statement is interpreted as being Marshal Yen Hsi-shan's desire to adopt a waiting attitude to see the outcome of the war before forming a Government.

The Kwangsi Army has retired from Changsha, which has been re-occupied by the Nationalists. Communists are reported to be returning inland from the river between Hankow and Kiating.—*Naval Wireless.*

THE HONGKONG
PENINSULA HOTEL:
HONGKONG HOTEL, REPULSE BAY HOTEL,
PEAK HOTEL
AND
SHANGHAI
ASTOR HOUSE, PALACE HOTEL,
HOTELS
LIMITED.
In association with the Grand Hotel
Des Wagons Lits, Peking.

KOWLOON HOTEL

KOWLOON.

Under the Personal Supervision and
Attention of

Mr. & Mrs. H. J. WHITE.

Phone Nos. Cable "KOWLOTEL"
K. 608 & K. 609. Hongkong.

PALACE HOTEL

Tel. Kowloon No. 3. Tel. Address "Palace."
A First Class Residential and Tourist Hotel with all the Con-
veniences of a Home. Under Entirely European Management. Cozy
Lounge and Billiard Saloon. Three minutes from Ferry. Facilities specially
arranged for. Moderate terms. Mrs. J. H. Osberry,
Proprietress.

EUROPE HOTEL

"Renowned by Recommendation"

DANCING: After Dinner every Tuesday,
Thursday and Saturday.

MUSIC: On the VERANDAH every
Saturday from 12 noon to 1.30
p.m. and every Tuesday, Thurs-
day and Saturday from 7.30 to
8.30 p.m.

GRILL:

Telephone. 5341 (8 lines).
Cables "EUROPE" Singapore.

THE EUROPE HOTEL Ltd.
Arthur E. Odell
Managing Director.

RUNNYMEDE HOTEL-PENANG

"MALAYA'S NICEST HOTEL".....

With beautiful private lawns to the Sea

MODERN THROUGHOUT

Dinner-dance twice weekly

RUNNYMEDE HOTEL LTD.
George Goldsack.

CABLES—"RUNNYMEDE."

Manager.

NEW PARIS STRAW HATS

AT—

Rolande Sarrault

Pedder Building,
3rd Floor.

Tel. 22252.

SALARIES' REPORT APPROVED.

DESPITE UNOFFICIAL OPPOSITION.

HIGHER POSTAL RATES AND AN AMUSEMENT TAX.

THREE HOURS' DEBATE.

Despite strong Unofficial protests, the Legislative Council yesterday afternoon, after a three hours' debate, approved the Salaries Commission Report, modified to the extent of excluding the H.C.L. allowance and the rent allowance for dollar-salaried officers of less than ten years' service. All the Unofficials excepting the Hon. Mr. Paul Launder and the Hon. Sir Shouson Chow, who were members of the Commission and did not vote, voted against the Government.

The Commission's proposals, as modified, will operate as from January 1st this year. The Government accepted a motion by the Hon. Mr. Owen Hughes for the appointment of a Retrenchment Committee with a view to effecting economies in administration.

It was intimated during the debate that in addition to the increased tobacco duties, postal rates are to be raised and later an Amusement Tax is to be introduced, whilst the possibility of increasing the Assessment Tax was mentioned, should this be necessary to balance the 1931 Budget. The Council also passed the first reading of a Bill to tax petrol.

A RETRENCHMENT COMMITTEE.

The Colonial Secretary—Sir. I rise to move the resolution stand-
ing in my name, viz:

"That this Council approves the recommendations of the Salaries Commission published in Sessional Paper No. 7, of 1929 as modified by the Governor's Despatch No. 37, of the 22nd January, 1930, and approved by the Secretary of State for the Colonies in his telegram of the 25th March, 1930, published in Sessional Paper No. 3, of 1930, and further modified by the exclusion of the High Cost of Living allowance referred to in paragraph 12 of the Commissioners' report and the rent allowance for dollar-salaried officers of less than 10 years' service referred to in paragraph 180 of the report, which allowances shall not be provided without further specific sanction of this Council, and accordingly resolves that a sum of \$1,628,917 be charged upon the Revenue and other funds of the Colony in addition to the sums already provided in the Estimates for 1930 for the purpose of carrying into effect as from the 1st of January, 1930, the recommendations so modified."

The Salaries scheme has been before the public for so long and its provisions have been the subject of so much discussion that I feel I need not detain the Council with any long and detailed description of the scheme.

The last general revision of salaries resulting from the Salaries Commission of 1919 dates from 1920 when salaries here, as in all British Possessions, had to be revised to meet the altered conditions brought about by the war. It is now ten years since that revision and it is, I think, admitted that circumstances have altered greatly in the meantime, one of the chief alterations being the drop in the dollar from 5/6d in 1920 to 1/3d in 1930.

Compensation Scheme.

The fluctuating dollar is one of the chief difficulties in the calculation of appropriate salaries in Hongkong and the large firms have in common with the Government been obliged to adopt temporary expedients from time to time to meet

the difficulty. The Government scheme is set out in the Salaries Report and I need not detail it here. The original scheme worked reasonably well so long as the dollar did not drop below about 2/6d, but when it fell to 2/- the matter became so serious that the Government was faced with repeated requests for a reconsideration of the existing scheme of Government salaries. It was admitted on all sides that the cost of living had risen enormously since 1920, some estimates of the increase being as high as 40%. A temporary remittance privilege had been introduced in 1926 but failed to meet the growing difficulties of the Service, while increasing difficulty was being experienced in recruiting suitable officers for vacant posts. Consequently in April, 1928, the then Governor addressed the Secretary of State asking for a Commission to consider questions of the remuneration of officers generally and seeking approval meanwhile for an exchange compensation scheme to cover fluctuations of the dollar between 2/6d and 1/9d. I might perhaps remind Hon. members that the terms of this despatch were unanimously approved by the Unofficial members of this Council. The Secretary of State approved the temporary exchange compensation scheme subject to review by a Salaries Commission. The compensation scheme was subsequently approved by the Legislative Council, but the dollar refused to halt at 1/9d and a further extension of the scheme down to 1/6d was approved by the Finance Committee for payment up to June 30th of this year. The dollar, as Hon. members know, dropped still further and on the present scheme of payment many members of the Government Service are actually receiving less dollars per month than their sterling salary would entitle them to if converted at the current rate of exchange without any exchange compensation privileges whatever. This is a position which the Government cannot view with equanimity and in justice to its servants it feels that action cannot be longer deferred.

The Commissioners. In October 1928 the Salaries Commission was appointed consisting of

Sir Henry Gollan, K.C., C.B.E. Mr. Paul Launder.

The Hon. Sir Shouson Chow, Kt. I do not think, Sir, that we could have chosen three more suitable Commissioners. The Chief Justice was a man of wide experience in many Colonies with a trained judicial mind and was eminently qualified to arrive at a well-balanced judgment on the whole subject. Mr. Launder is the head of one of the largest Insurance Companies operating in the East, with branches scattered all over the world and with a large staff of employees of different nationalities offering problems cognate to those confronting the Government in its salary questions, and there is no one in Hongkong with a wider knowledge of Chinese problems than my Honourable friend, Sir Shouson Chow.

The Commission reported on August 31st, 1929. Their report was published as Sessional Paper No. 7, of 1929 on September 5th, 1929, and has been in the hands of Hon. members and of the public ever since.

Hon. members are well aware of the elaborate nature of the enquiries held by the Commissioners and from the personal character and attainments of the Commissioners the Government is fully justified in giving the fullest possible weight to their recommendations. Such an extensive survey naturally contained a mass of detail which it was necessary for the Government to examine before submitting the proposals to the Secretary of State. The result of that examination is set out in the annexure to the Governor's despatch of 22nd January, 1930.

Chambers' Views.

I would at this point observe that at the request of the Unofficial members of the Executive Council the report was, in October, 1929, sent to the Hongkong General Chamber of Commerce and to the Chinese Chamber of Commerce for their observations. The Chinese Chamber replied on the 27th November that it had no observations or representations to make thereon, but in March last it made a further report representing the inadequacy of the increase in remuneration proposed for dollar paid officers. The Hongkong General Chamber of Commerce did not send in its considered reply till the 14th of February last and as the late Governor naturally wished to communicate his views to the Secretary of State before he left the Colony it was impossible to wait for the views of the Chamber of Commerce. These views, however, were fully considered after their receipt and were sent to the Secretary of State and the Government undertook to give time for their consideration in the Colonial Office before proceeding with the scheme. The Chamber's views were duly considered by the Secretary of State, who replied on the 26th of May last:

"I have given careful consideration to the criticisms of the Chamber of Commerce Committee, but while I appreciate the force of their argument I regret that I cannot consider them of sufficient weight to require reversal of instructions conveyed in my telegram of the 25th of March."

A Reasonable Solution.

Subject to the minor amendments already referred to, the Government accepts the report as a fair and reasonable solution of a very difficult problem and the report has received the approval of the Secretary of State, who has authorized the Government to place it before the Legislative Council and to ask for the provision of the funds necessary to carry it into effect.

But for the fall in the dollar I doubt whether the report would have met with the hostile reception which was accorded to it. With the dollar at 2/- many officers would have received actually a few dollars less per mensem than they were receiving before, but as the dollar fell the prospect of an increase in taxation became less and less attractive to the general public and increased the opposition to what is in reality a very fair scheme and indeed a tardy act of

justice to a body of hard-working officers who are entitled to just remuneration for their labours. The opposition to the scheme may, I think, be classified under two heads. The first main criticism is that the salaries recommended are, generally speaking, too high.

Warren Fisher Report.

Now, Sir, on the general question of the remuneration of sterling paid officers I would venture to quote to the Council certain passages from the very able report published only in April last on the System of Appointment to the Colonial Services. The report is generally known as the "Warren Fisher Report" from the name of the Chairman of the Committee. The Committee says:—

"Modern conditions demand also a generally higher standard of personal, educational and professional qualifications, and in addition the employment of men with scientific and special attainments of a kind not previously to be found in Colonial Service."

On page 15 the Committee, speaking of the remuneration of qualified technical officers, says with reference to Engineers:—

"Apart, however, from these special observations we do not hesitate to give it as our opinion that any real improvement in the quantity and quality of the fully trained engineering personnel required for the Colonial Services must depend on an improvement in the general rate of emoluments offered. Our evidence shows clearly that in view of the cost and duration of an Engineer's training the inducements offered by the Colonial Services are not adequate."

Again on page 33 the Committee says:—"Recruitment of the necessary trained staff cannot in our opinion be regarded as sufficient either in quantity or quality. Though this may to some extent be improved by extended missionary work on the part of the recruiting authorities, it is to be borne in mind that the remuneration and opportunities offered in other public appointments and in business is an increasingly important competitive factor and one which must sooner or later call for a generally higher standard of remuneration in many of the Colonial Services."

That report is a public document which any member can obtain at any time.

Lower Than Malaya.

Some of our critics have admitted that some of the salaries ought to be even higher, and I suggest for the consideration for Hon. members that this shows how difficult it is, with inadequate knowledge, to assess the exact salary for any individual post—for in a scheme of this kind the personal qualification of the holder at the moment must be disregarded.

As regards sterling salaries the Commission had the advantage of comparison with other Colonies, it had knowledge of our difficulties in filling vacant posts, I refer specially to the Cadet Service, to the Medical and Education Departments, and to some of the lower grade sterling posts, and it had considerable information as to what was paid in commercial firms and it based its recommendations on the knowledge it had obtained. As they stand there is no doubt that the salaries range lower than the salaries paid in Malaya and we must accept the position that we cannot afford Malayan scales of salary. How they compare with salaries paid in commercial firms it is very difficult for anyone without full inside knowledge to say, for commercial firms are in the happy position of not having to disclose their rates of salary or the bonuses and commissions which often form so large a part of their employees' remuneration.

Share Rough With Smooth.

It has been said that the salaries are too high at the present time and that the Government service should be prepared to share the present hard times with the mercantile community. There might be something in this argument if the Government servants were in a position to share the advantages of

prosperous periods with the mercantile community. But when trade is booming and everyone else is prosperous the Government servant receives no more salary and the only effect on him of the prosperity of others is that he finds the standard of living going up all round him with no additional means to compete with it. Is he then to share the rough with others without being able to share the smooth?

As regards the dollar salaries there have been two criticisms—one from the General Chamber of Commerce that they are too high and one from the Chinese Chamber of Commerce, which, as I remarked above, after first stating that it had no observations to offer subsequently criticised the dollar salaries as being too low. The criticisms of the Hongkong General Chamber of Commerce seem to me to suffer in some respects from a failure to grasp the fact that the wages of daily paid labour are not dealt with in the report. The wages of daily paid labour are governed by certain economic laws and there is no sufficient reason to suppose that the recommendations of the Salaries Commission will have any appreciable effect on them.

The Chinese Labour.

But in so far as the monthly paid staff is concerned the commissioners went very carefully into the question of what was an economic wage for the lowest paid Chinese labourer and I know from personal conversations with Sir Henry Gollan that this particular question is one which caused him the gravest anxiety. He was satisfied that the salaries now being paid are in many cases not sufficient to provide a decent living wage and in justice to its minor employees the Government is bound to give full weight to the conclusions of the Commissioners in this matter. Starting from the bottom the Commissioners have worked upwards in an ascending scale and have produced a salary scheme for the dollar paid officers which the Government considers fair and reasonable. It has been urged that this scale is somewhat higher than that in force in mercantile offices, but I have reason to believe that some mercantile offices pay equally well and offer prizes with which the Government service cannot compete. Taking everything into consideration the Government is satisfied that it ought to pay to its subordinate staff the salaries recommended.

Speaking generally, the Chamber of Commerce criticism of the scheme seems to me to be based not on the theory that the recommendations of the Commission would result in the payment of salaries which are too high having regard to the nature of the work done and to the increased cost of living in recent years but rather on the effect which it is alleged will be produced on business firms in the Colony. In the eyes of the Chamber of Commerce the scheme is inexpedient from the point of view of the local employer and that is about as far as the criticism goes.

A Fair Scheme.

The other main argument against the scheme is that the Colony cannot afford it, or at any rate, that it cannot afford it at the present time. Now, Sir, if the scheme is a fair one, and the Government believes it to be fair, it could only be said that the Colony was already highly taxed to meet its necessary services. Granted that the scheme is fair, the payment of these salaries becomes a debt of honour which the Colony is bound to meet unless in so doing it should place a crushing burden on the taxpayers. But, Sir, what are the facts? It cannot be denied that the Colony is lightly taxed. The incidence of taxation is admittedly very difficult to calculate, but calculate how they will, I defy my Hon. friends to prove that Hongkong is heavily taxed at the present time.

If you take direct taxation, Hongkong pays yearly about \$7.1 a head, Australia pays \$12. 13. 9d, Canada \$6. 19. 4d and the United Kingdom \$15. 2. 3d a head, without counting municipal taxation. If you take direct and indirect taxation together and take Hongkong's (Continued on Page 5.)

SALESMAN SAM

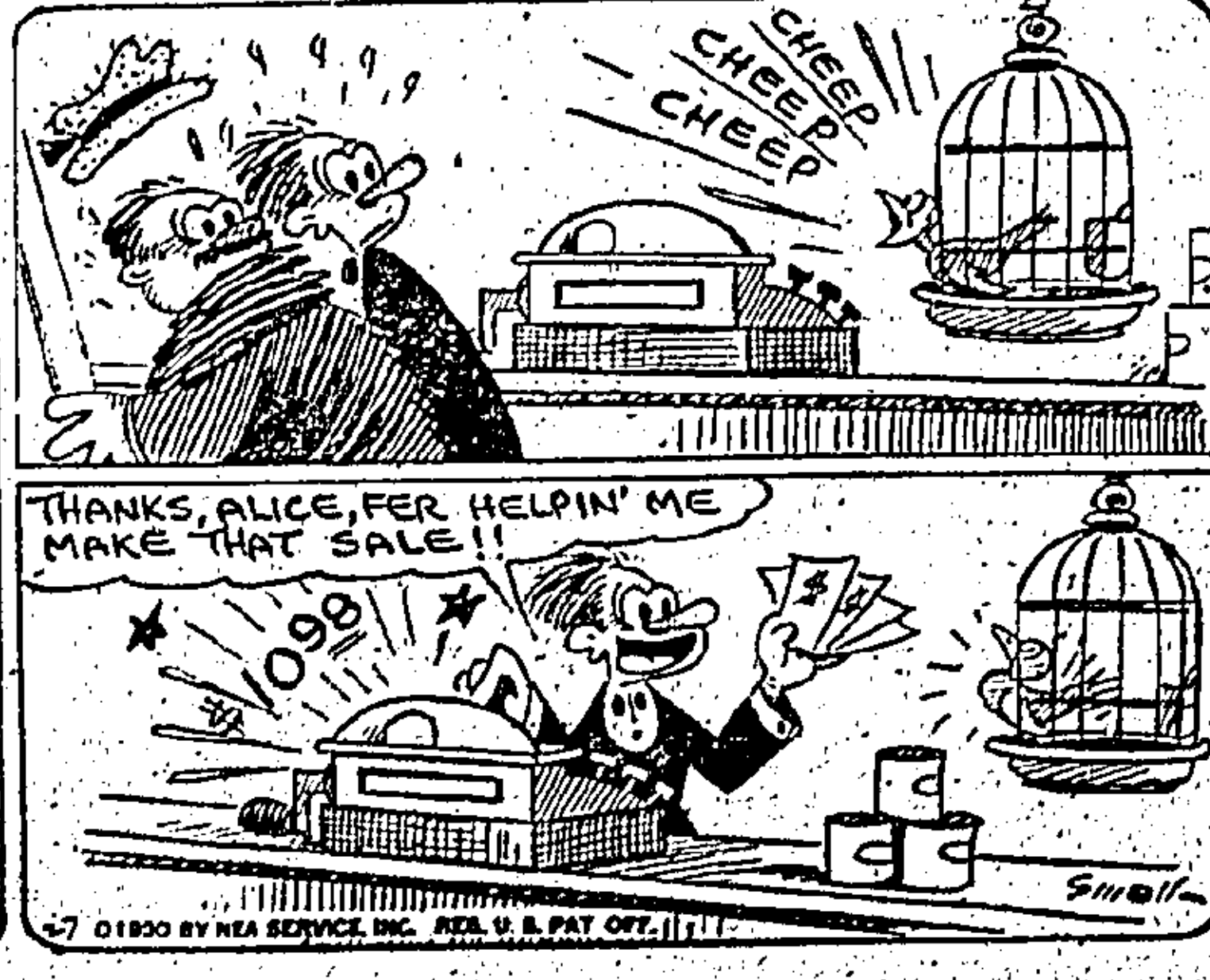
Co-Operation

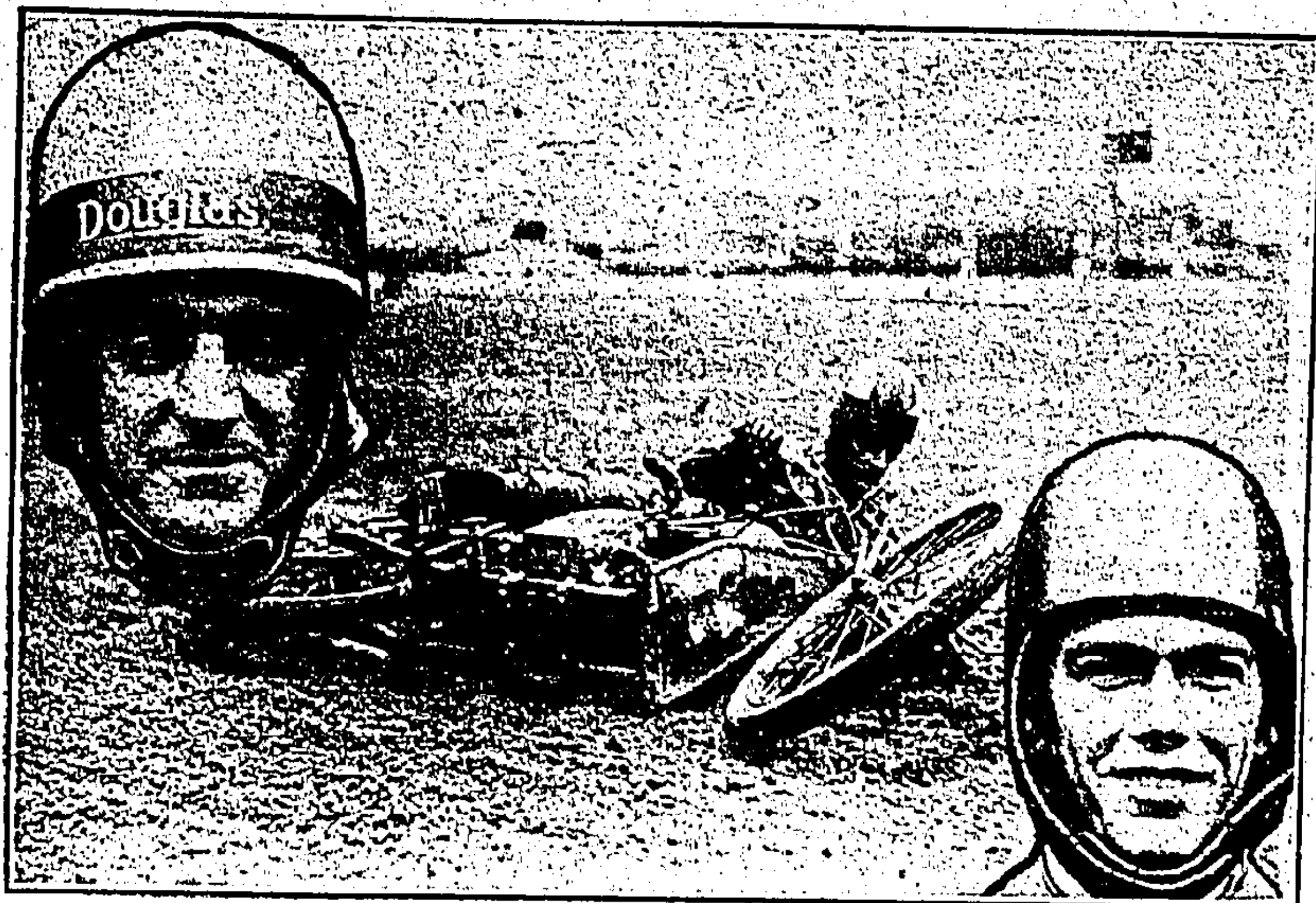
By Small

Avoid colds

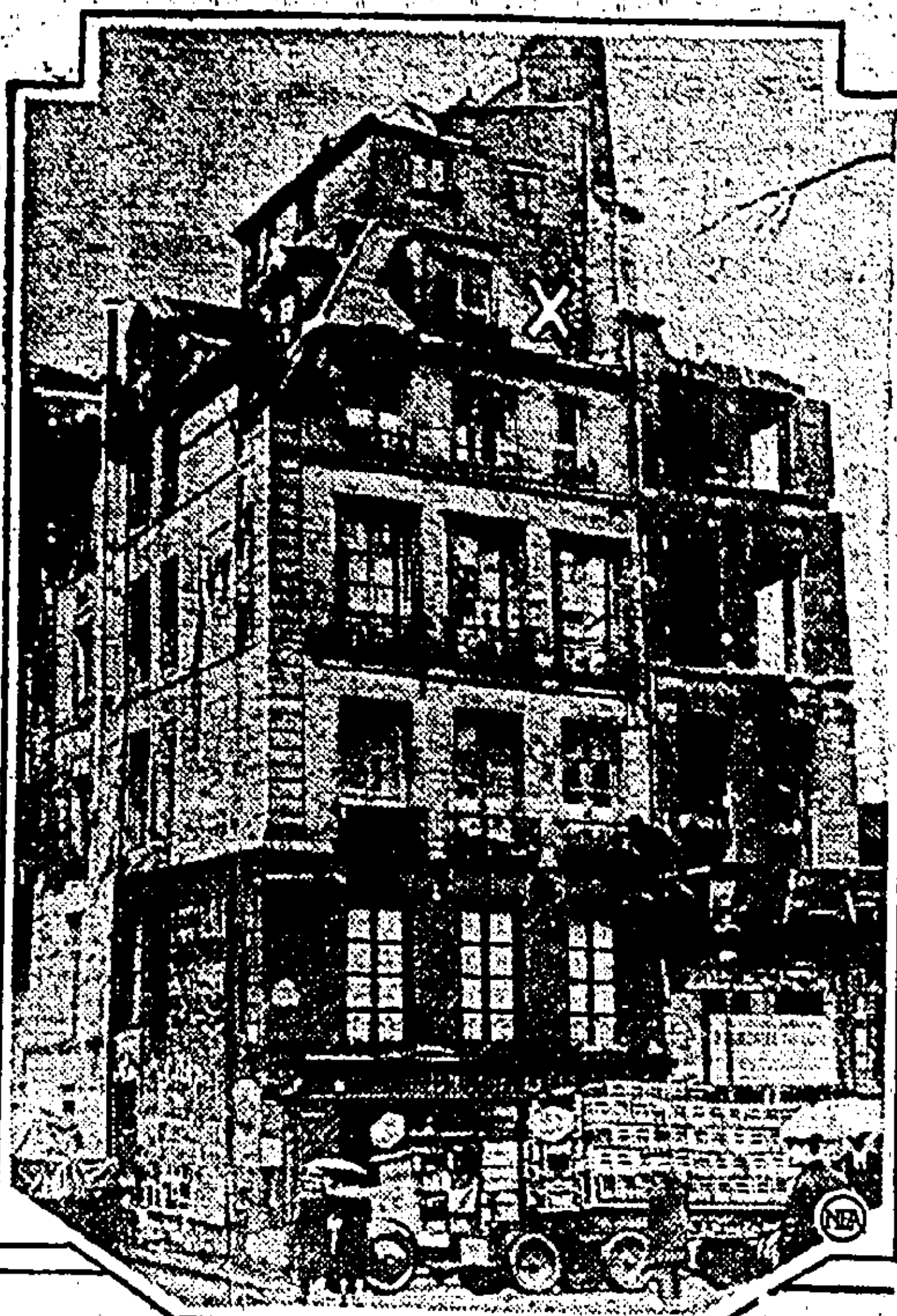
By taking SCOTT'S Emulsion which promotes the strength to resist coughs, chills, colds, influenza and all bronchial affections. Ask for

SCOTT'S Emulsion
"The protector of life"

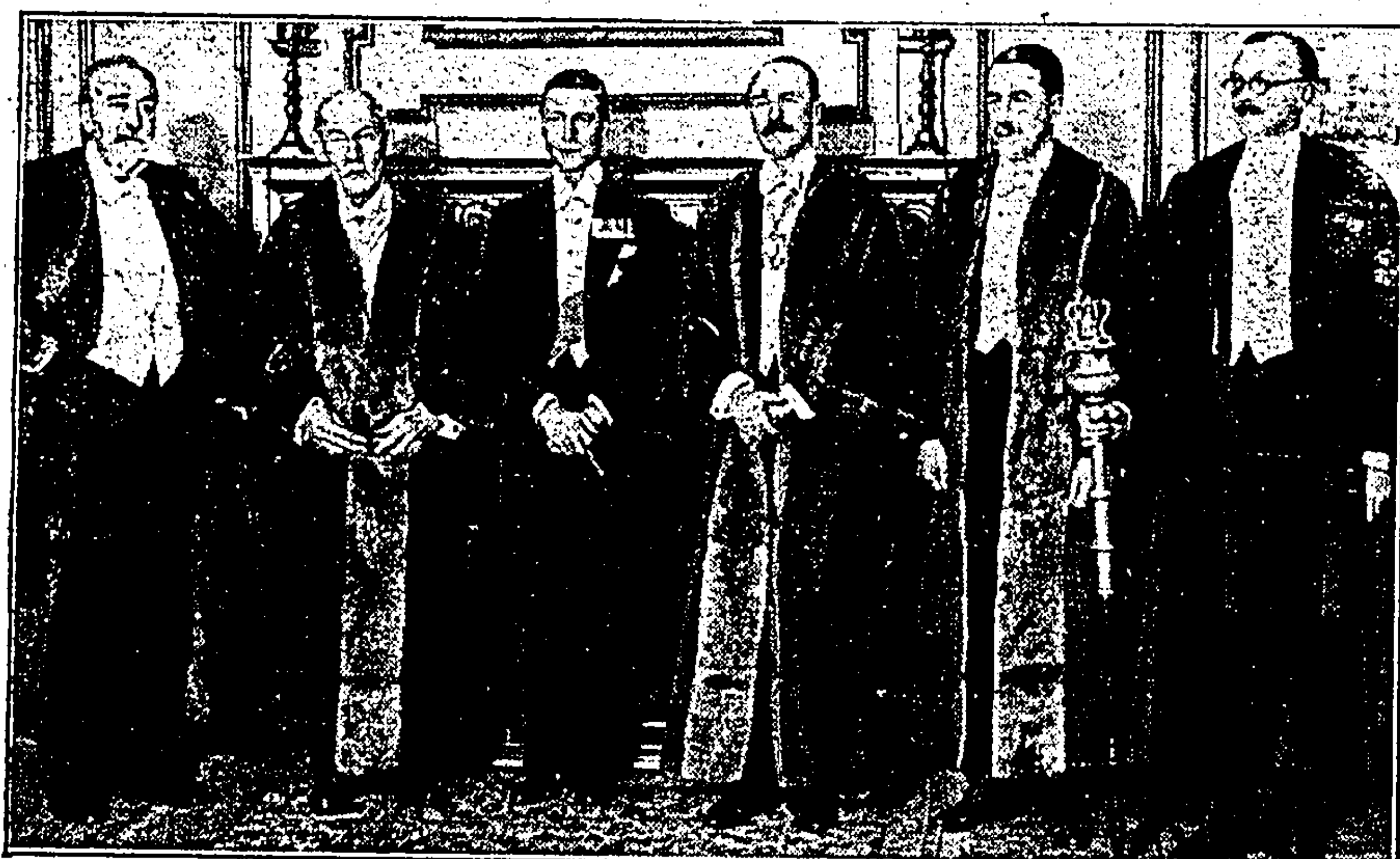




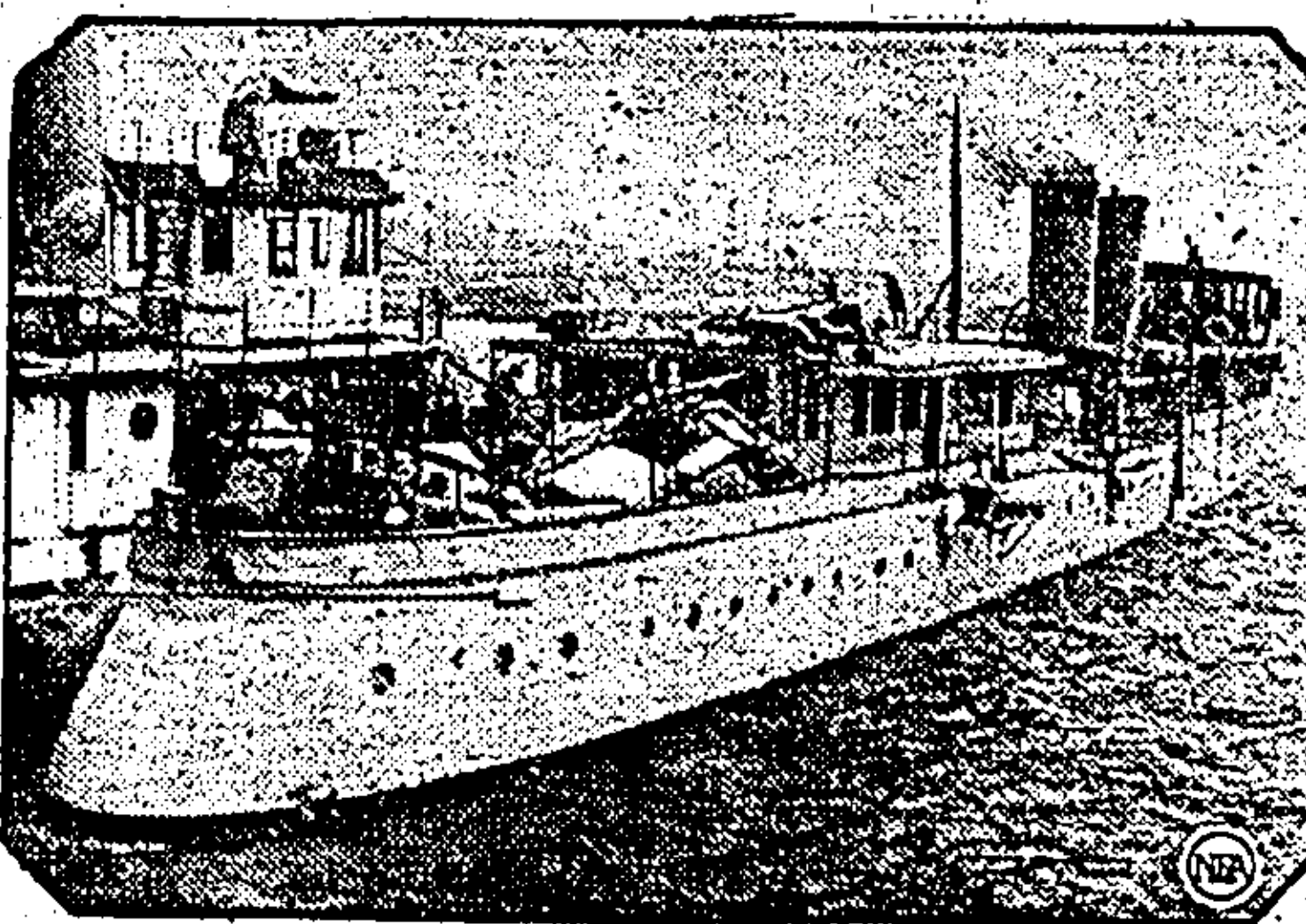
Len Street, one of the most popular of the Shanghai dirt track motorcycle riders, taking a spill. Len, who was injured recently is shown in top left inset. Tommy Tomkins another "dare-devil" rider, is shown bottom right inset.



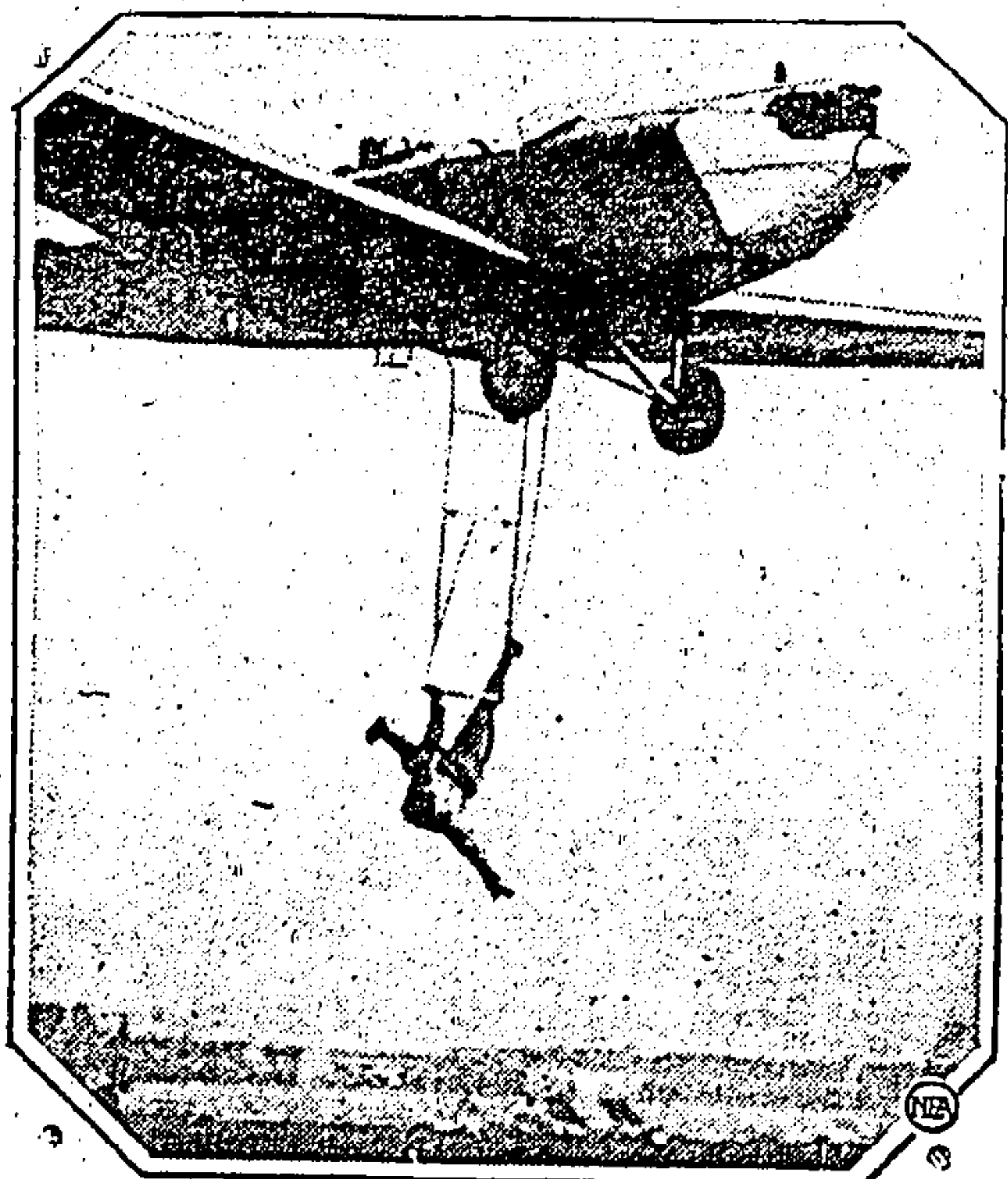
This historic French landmark—the house in which Napoleon Bonaparte lived, as a young lieutenant of artillery, his dreams of world empire took form—has been turned over to the wreckers. Napoleon occupied the small attic room, indicated here by a cross, under the roofline. A modern building is to replace the ancient structure.



The Prince of Wales was the guest of the Worshipful Company of Weavers at the Court Dinner held at the Grocers' Hall to commemorate the octocentenary of the Company. He is seen with the Upper Bailiff, Mr. G. R. Y. Radcliffe, and other officers. It is recorded that the Company paid its farm to the Crown for its privileges in the Great Pipe Roll of the Exchequer for the year 1130. This was the first public appearance H. R. H. The Prince of Wales made since his return to England from his African tour. (Times copyright).



Roaked from stem to stern and showered with debris by the explosion of a 90-gallon gasoline tank, the steam yacht Winchester, owned by Brig. Gen. Cornelius Vanderbilt, is pictured above at anchor in the East River, New York, after the fire, at alongside had quenched the resultant blaze.



Fritz Schindler, German aerial performer, is shown as he hung suspended only by his ankles from the bottom of a trapeze attached to an airplane in flight above Tempelhof Field, Berlin.



The Church of the Sacred Heart, Shanghai was the scene of a pretty wedding when Miss Guilhermina Perpetuo became the wife of Mr. T. J. Aldeguer of Reuters, Ltd.



These young business women of Stockton, Calif., plan to become full-fledged pilots as soon as they can get their aeroplane and as one of the means of raising the money they planned a benefit dance.



The terpsichorean exhibition pictured here is called "A Dance to the Sun," and the graceful dancers are co-eds of Temple University, Philadelphia.



The Shirt that can't ride up!

THE "STORANCO" SPORTS SHIRT.

This shirt is specially designed for sportsmen. It banishes all shirt discomfort, as its position cannot change during the most strenuous of games. That "rucking up" experience is impossible. The shirt is easily adjusted to the individual needs of the wearer by a simple device which keeps it comfortably in place.

Stocked in White Poplin and Cream Cotton Taffeta. \$7.50, \$9.50 each—less 10% discount for Cash.

Mackintosh's

NOW SHOWING

LIGHT WEIGHT

RAIN COATS

Price \$9.75 up.

Children's Rain Coat

Price \$6.50

ELITE STYLES

A. P. C. Building.

Telephone 22432.

For the Best
LOCAL VIEWS
and
PORTRAIT PHOTOGRAPHS
Go To
MEE CHEUNG
Studio, Ice House St. Branch 7, Beaconsfield Arcade

Whiteaways
WHITEAWAY, LAIDLAW & CO. LTD.

MEN'S TENNIS SHOES.
THE "STAMINA"

This shoe is specially made for Tennis and general sports use where hard service is required.

Made from super quality heavy duck upper, durable duck lining (loose lined for coolness and ventilation), vamp triple stitched to quarter, top overcast and double stitched, genuine leather channeled insole to combat perspiration, special super grade white honey-comb pattern sole, fabric-and-rubber fixing extended to bottom of sole, strongly reinforced at all points of stress.

Special Price **\$8.50** pair

CALL AND INSPECT.
Whiteaway, Laidlaw & Co., Ltd.
HONGKONG.

SALARIES' REPORT
APPROVED.

(Continued from Page 2.)

population at only 800,000 Hongkong pays yearly \$20.7 a head. If you take total Revenue, which includes receipts from Land sales, widows and orphans Pension contributions and all other items, many of which are not derived from taxation at all, the proportionate revenue per head works out as follows:

Hongkong pays \$28.4, the Straits Settlements S.S.\$63, the Federated Malay States S.S.\$72 and Ceylon Rs.31.5. I firmly believe, Sir, that Hongkong is one of the most lightly taxed civilized countries in the world, and if it expects an efficient modern Government it should be prepared to pay for it.

Now, Sir, if my view of Hongkong Taxation is correct, my Unofficial friends are estopped from saying that the Colony cannot afford to meet the bill for the Salaries scheme, for there is a large reserve of taxable material at present untouched. The Government is satisfied that the Colony can well afford to meet the additional cost of the scheme, even though it should involve some slight additional taxation.

Feeling the Pinch.

I turn now to the argument that the Colony cannot afford the scheme at the present time. Nothing would have pleased me better, Sir, than to introduce the scheme when the Colony was in the full flow of prosperity, when trade was booming, and when everyone was happy. Admittedly, times are difficult and it has yet to be seen whether, as one school of local thought has predicted, the fall of the dollar will bring renewed prosperity to the Colony. For the moment, the fall of the dollar has brought hardship to many individuals who see their sterling costs going up and the value of their dollar savings dwindling. If the scheme was necessary when the dollar was at 2/- and the currency crisis had not developed, it is no less necessary now, for on the present system of exchange for sterling salaries some officers are receiving less than the actual dollar equivalent of their sterling salaries, while dollar-salaried officers, whose basic salaries were regarded as too low by the Commission with the dollar at 2/-, are now feeling the pinch more than ever with the dollar at between 1/3d and 1/4d. Even if the whole salary scheme were not accepted by this Council, some steps would be necessary to relieve the situation, and I notice on the agenda paper a motion by my Hon. friend, Mr. Kotewall, who is evidently prepared to offer a compromise with a view to reducing the cost to the Colony. But, Sir, Mr. Kotewall's scheme is, in the opinion of the Government, fair neither to the sterling-salaried nor to the dollar-salaried officers. The former it leaves in the position I have described above of receiving less than the dollar equivalent of their salaries; to the latter, it offers only half of what the Commissioners thought they deserved and long ago, as last August, now, Sir, the Government has a high opinion of the value of its subordinate staff, and it is not prepared to deny to them at the time when their needs are greatest one half of the increase to which the Commissioners considered them to be entitled last year.

Reducing the Cost.

But, Sir, the Government is not unmindful of the cost of the whole scheme and of the new factors introduced by the drop in the dollar, and it has, after mature consideration, come to the conclusion that it can reduce the cost of the scheme without undue hardship to the service by eliminating for the present the two charges referred to in my motion, viz., the High Cost of Living allowances of 15% and 7½% for Sterling Salaried officers and the rent allowance for dollar salaried officers of less than 10 years' service. As regards the former, the salaries scheme took as its basis for calculation a dollar at 2/- and in order to give an officer roughly the same salary in dollars as he was then receiving, it increased his substantive salary by 15% and added a discretionary High Cost of Living Allowance of not more than 15% for married or 7½% for unmarried officers. It appears to the Government that as the cost of living in Hongkong rises proportionately more slowly than the dollar drops there comes a point at which the High Cost of Living allowance may scarcely be justified and the actual dollar becomes a reasonable emolument without the addition of any High Cost of Living allowance. But this cannot be regarded as a permanent situation. The Commissioners realized that with an unstable exchange there must be a variable factor in the system adopted for the conversion of sterling salaries into dollars and while fixing new substantive salaries it left a variable factor in the High Cost of Living allowance. The point at which this allowance should again become payable, and the sliding scale

which ought to be adopted when it does become payable, are matters which the Government is leaving for further consideration. Suffice it to say that for the present the Government is satisfied that it need not be paid and the resultant saving to the exchequer is estimated at \$665,820. The allowance will not be introduced without further reference to this Council.

At the same time the Government is prepared to ask for some sacrifice from the dollar-salaried officers. Hitherto dollar-salaried officers of less than ten years' service have not been entitled to rent allowance. The Commissioners recommended the grant of this concession regardless of length of service. The Government considers that the old rule might for the present remain unchanged without undue hardship and the saving obtained by this modification of the scheme is estimated at \$248,281. The Government is satisfied that with these modifications the scheme is not an undue burden on the Colony even under present conditions, and sees no justification for a further postponement of the scheme.

Cost of the Scheme.

I come now, Sir, to the cost of the scheme, and this, of course, varies with the rate of the dollar. On the advice of my Hon. friend the Colonial Treasurer we have taken 1/6d. as the average rate for the year 1930 and we can only hope that we shall not be proved over-sanguine. No-one can guarantee the future course of the dollar and even since our calculations were made the dollar has dropped still further. Should it remain below 1/6d. there will necessarily be an increase in the cost of the scheme as calculated in dollars but the increase will be fully justified. Taking an average rate of 1/6d. over the whole year and taking the scheme as modified by the two alterations already referred to and by the recommendations embodied in Sir Cecil Clementi's despatch of 22nd January, 1930, and its enclosure, the additional cost over and above the 1930 estimate after careful revision of the details as \$1,628,917.

The additional cost of the full scheme with the dollar at 1/6d. is estimated at \$2,542,908. Deducting from this the sums of \$665,800 and \$248,900 referred to above, we arrive at the net increase of \$1,628,917. This amount includes the sum of \$177,400 which is the estimated cost of continuing the exchange compensation scheme, down to 1/6d. It will be remembered that in voting this sum the Finance Committee stipulated that the increased compensation should not be paid beyond June 30th without further reference to the Committee and it may therefore be held to have voted only \$188,700. It has been thought better to include the sum already voted in the total vote for the new scheme but Hon. members will, of course, understand that there will be a saving on the double vote of the amount already voted for the increased exchange compensation allowance.

Additional Taxation.

To meet this additional recurrent charge and to meet the increased cost of sterling commitments owing to the drop of the dollar the Government considers it necessary to increase the revenue of the Colony. The financial position is very fully set out in Sir Cecil Clementi's despatch published in Sessional Paper No. 3, of 1930 and I need not detain this Council by repeating the details which can be more conveniently studied in the Sessional paper. The Government has given much earnest consideration to the sources from which this additional revenue should be obtained and has taken due notice of the receipt set out in Sir Cecil Clementi's despatch. I am authorized to say that it has been decided to leave in abeyance the proposal to use the Assessment Tax, though I must warn Hon. Members that it may still be necessary to impose some increase later on in order to balance the Budget for '33 unless the Retrenchment Committee, which my Hon. friend, Mr. Owen Hughes will ask for later in the day and which the Government will readily grant, is able to effect such reforms that further taxation can be avoided. The Government as Hon. Members are already aware has increased the tax on tobacco and hopes to derive therefrom \$700,000 in a full year and \$300,000 during the rest of 1930. The postal rates, at present far below those current elsewhere will be raised from 1st July, whereby the Government hopes to obtain \$'00,000 during 1930 and \$228,000 in a full year.

The first reading of an Ordinance to introduce a Petrol Tax will be taken this afternoon, from which the Government hopes to derive a net revenue of \$275,000 in a full year and \$135,000 during the rest of 1930.

Revenue Coming in Well.

These taxes should in a full

year produce \$1,500,000 from which Military contribution of 20%, or \$300,000, falls to be deducted leaving a net additional revenue of \$1,200,000. Admittedly, this increase of revenue will not be fully available to meet the current expenditure for the current year, but our revenue has been coming in well during the first half of the year and we are already more than \$750,000 above our estimates for the proportionate period. Expenditure is being carefully watched and if all goes well we may yet find ourselves able to keep within our revenue, and should this prove impossible we are in a strong position as regards our liquid reserves and should be able without difficulty to meet any anticipated deficit on the year's working.

It is, however, important that in a normal year recurrent expenditure should be met from recurrent revenue, and it is for this reason that I have ventured to sound a note of warning as to the possible necessity for raising further revenue by means of the Assessment Rates next year.

Of Vital Importance.

I regret, Sir, that my remarks should have been extended to this inordinate length, but the subject is one of vital importance to the good government of this Colony and one which has aroused great public interest. This must be my excuse for delaying the Council so long.

I now move—

"That this Council approves the recommendations of the Salaries Commission published in Sessional Paper No. 7, of 1929 as modified by the Governor's Despatch No. 37, of the 22nd January, 1930, and approved by the Secretary of State for the Colonies in his telegram of the 25th March, 1930, published in Sessional Paper No. 3, of 1930, and further modified by the exclusion of the High Cost of Living allowance referred to in paragraph 12 of the Commissioners' report and the rent allowance for dollar salaried officers of less than ten years' service referred to in paragraph 180 of the report which allowances shall not be provided without further specific sanction of this Council, and accordingly resolves that a sum of \$1,628,917 be charged upon the Revenue and other funds of the Colony in addition to the sums already provided in the Estimates for 1930 for the purpose of carrying into effect from the 1st of January, 1930, the recommendations so modified."

I trust that Hon. Members will feel that the motion is one to which they can give their support. The Government will regard it as a matter of sincere regret should it not receive the unanimous support of the Council in what it regards as an essential act of justice to its employees.

Hon. Mr. E. R. Hallifax seconded the resolution.

THE UNOFFICIAL VIEWS.

An Intolerable Hardship On Trade.

HON. MR. J. OWEN HUGHES.

Sir.—Being the senior European Unofficial member present to-day, it falls to me to present to Your Excellency and this Council the considered views of ourselves, and also of the members of the Hongkong General Chamber of Commerce, and large employers of labour in this Colony, on the Salaries Commission Report. Will you kindly allow me, Sir, first of all to refer to a letter sent to the Hon. Colonial Secretary by the Hon. Mr. Shenton on the 14th May expressing the unanimous request of Unofficial members that he should propose two motions in connexion with the question now before us. Mr. Shenton wrote again on the 2nd of this month to ask Your Excellency to accept that letter as a formal notice of motion, and that Unofficial members desired that they be treated as substantive motions, at the same time, informing Government that owing to his impending departure for home these motions would be proposed by me.

As, however, the Government have exercised its prerogative and have adopted the present course of action, it necessitates the first of the two motions referred to being put as an amendment, and I trust Your Excellency will accept it in this form. The amendment therefore is—

"That in view of the far reaching effect of the Commissioners' Report on employment generally, and the community as a whole, and the large expenditure of money involved, His Excellency the President of this Council be invited to appoint a Committee consisting of Government nominees, representatives of employers and employees and others having a broad knowledge of the conditions of employment in the Colony, to investigate the Report of the Commissioners and make a report thereon for further consideration."

Interest of Employers. As Your Excellency is doubtless aware, the Committee of the Hongkong General Chamber of Commerce, very shortly after the Report of the Salaries Commission

was received, appointed a special sub-committee under the Chairmanship of the Hon. Mr. Shenton to consider the Report and obtain the views of the principal employers of this Colony, the others forming this sub-committee being Mr. M. T. Johnson, then in charge of Messrs. Mackinnon Mackenzie and Co., and Mr. A. Ritchie of Messrs. Lowe, Bingham and Matthews, with Mr. M. F. Key as Secretary.

It was realised that it would be quite impossible to merely put the Report as it stood before the employers so they, as far as they were able, to took the Report to pieces, and recast it into schedules, showing in separate columns the present position, the recommendations of the Commissioners and the percentages of increase.

The Report, the schedules in question and a covering letter were then placed before the following concerns, for the purpose of obtaining their views:—

- (1) Messrs. Jardine Matheson & Co. Ltd.
- (2) The Indo-China Steam Navigation Co. Ltd.
- (3) The Hongkong & Kowloon Wharf & Godown Co. Ltd.
- (4) The Hongkong Tramway Co. Ltd.
- (5) The Asiatic Petroleum Co. Ltd.
- (6) The Hongkong & Whampoa Dock Co. Ltd.
- (7) Messrs. Mackinnon Mackenzie & Co. Ltd.
- (8) The P. & O. Steamship Co. Ltd.
- (9) The E. & A. Lines
- (10) The Hongkong Electric Co. Ltd.
- (11) Messrs. Butterfield & Swire.
- (12) The Taikoo Dockyard and
- (13) The Taikoo Sugar Refinery Co. Ltd.

It might here be stated that the Sub-Committee were considerably surprised to find that none of the executives of the above concerns had been consulted by the Commissioners.

Report Rejected.

Written statements were received from all, and were found to be unanimous in rejecting the Commissioners' Report, the general consensus of opinion being that the present terms of Government employment are more advantageous than similar employment outside. It must not be assumed by this general statement that there are no considerations to be taken into account, and probably many, but they must be dealt with as individual cases.

The views expressed were collated in a Report which was passed to the Committee of the Chamber, who after consideration adopted it as the considered view of the Chamber, and the same was in January last sent to the Government.

It should also be stated that the Commission's Report had previously been submitted to a Board appointed to consider labour conditions, who by a majority arrived at the same conclusion as the Hongkong General Chamber of Commerce.

That, Sir, is a brief history of the progress of the Commissioners' Report, through the hands of the sub-committee, the large employers of labour and members of the Hongkong General Chamber of Commerce.

Second only to the labour undertaken by members of the Salaries Commission themselves, in the taking of evidence, in the consideration and the final presentation of the Report itself, is the vast amount of work undertaken by Mr. Shenton and those associated with him in preparing and presenting the Report, with the various schedules I have referred to before the Committee of the Chamber and employers, but it has earned for them the gratitude of all, and especially of those who will be adversely affected should the recommendations of the Commission be adopted. Many meetings have been held by Unofficial members, including one meeting with representatives of the Government, members of the Salaries Commission, and with the Committee of the Chamber of Commerce, culminating in a speech by the Hon. Mr. Shenton which, but for his departure on a well-earned holiday, would be delivered by him to Your Excellency and this Council today.

An Important Document.

With the knowledge and consent of all the Unofficial members, a copy of the speech and schedules was sent to the Hon. Colonial Secretary and being thus submitted, it would in my opinion be unfair that such an important document, the result of many weeks' labour and careful thought, should be left unrecorded. I therefore crave Your Excellency's permission and the indulgence of Hon. members to quote freely from that speech, particularly as I am in full agreement with it. I will afterwards submit my own views, leaving the recorder of this amendment, the Hon. Mr. Mackie, and other Unofficial colleagues to make their own observations in support.

I have before me a difficult and arduous task—one which I think no one will approach without a feeling of diffidence having regard to the magnitude of the subject, and the interests involved. One has only to scan the pages of the Salaries Report to realise that it covers almost every class of employment in the Colony. To be able

to express an authoritative opinion on the emoluments, which should be received by every form of service in Hongkong, is a knowledge which I personally do not possess, and I very much doubt whether there is any one man qualified. Nevertheless I think it is possible to get a body of men together consisting of Government representatives, employers, and employees, who could at least do justice to those whose salaries are under consideration, and at the same time effectually guard the other interests and considerations which require protection.

Tribute to Commissioners.

I have no hesitation in saying that to arrive at an equitable and fair decision, not only must the views of the Government service be heard, but the representations of any other interests in the Colony, likely to be effected, and as regards pensions, the general conditions existing, and likely to exist, in those countries where the recipient concerned is likely to retire to.

One must not be blind to the fact that any increase given must reflect on outside employment, and that the general conditions of trade, past, present and future, call for the most careful investigation.

Before proceeding further, I should like to pay a tribute to the staff who have given so much of their time to the study of this difficult matter—they have devoted many weeks to this important subject. The public as a whole, and the Government in particular, must be (and without doubt are) deeply indebted to the members of the Commission for their great service, and for the range of their deliberations, which has given us a comprehensive frame upon which to work, and will assist us very materially in understanding the important problems we are called upon to solve.

In reviewing this matter, we owe a duty to the Colony as a whole, and we should be failing in that duty if we attempted to represent any individual interest, or in any way allowed one section of the community to influence us more than another. Whilst we wish to do justice to the Government service, we must be careful that our recommendations do not cause undue injury to the public, or cast too great a strain on the revenues of this Colony.

No Mention of Pensions.

The Commissioners were appointed on the 19th October, 1928, and the report in question was delivered some time in the autumn of last year. I cannot give the exact date as the report is not dated.

The terms of reference were four only:

- (1) The adequacy of the present Government Salary Scales.
 - (2) The method of conversion of such salaries, when in the Colony, and on leave.
 - (3) The principles of acting pay, charge allowances, and overtime.
 - (4) Housing, and rent allowance.
- I want you to note here, that although the terms of reference specifically refer to leave pay, no mention is made of pensions, and I venture to suggest that pensions are a matter which requires separate consideration, and are not necessarily bound up with the amount of salary granted when on active service, but are more concerned with the general circumstances and conditions in the country to which the recipient is likely ultimately to retire.

The question of pensions was not in fact referred to the Commission, although the effect of the report broadly speaking is, that if exchange is in the neighbourhood of 2/-, to confer benefits on sterling employees, in respect of pensions and leave pay only.

I am not suggesting that the present adequacy of pensions is not ripe for enquiry, but that they were, according to my reading, not within the terms of reference, or if they were, that the field covered by the Commissioners was not sufficiently wide.

Four Broad Principles.

In considering the Report, there are four broad principles we should not lose sight of, and which the Commissioners appear to have kept in mind when arriving at the decisions they did.

- (1) That exchange was likely to remain in the neighbourhood of 2/-, because in paragraph 7 of the Report, they say, "the dollar is now a little under 2/- and there is some probability that it will remain in the region of 2/-."
- (2) The recommendation of the second 15% for married officers and 7½% for unmarried officers, being a High Cost of Living allowance, was to be payable either wholly, partly, or not at all, at the discretion of the Government, see paragraph 12 of the Report.
- (3) In fixing sterling salaries they did not intend to give to an officer more dollars than he was then getting, because in paragraph 13 of the Report they say, "we have endeavoured to retain to an officer the number of dollars he is at present drawing."

- (4) That as regards dollar salaried officers, they intended to give them an all round increase of 20% and this is so stated in paragraph 14 of the Report. Position at Present.

Before dealing with the recommendations of the Commissioners, we should consider the position of Government Salaries at the present time.

- (1) Sterling officers are paid on the basis, authorised after the 1919 Salaries Commission had delivered its Report, converted at the \$12 to the £, plus an allowance of 2% per penny as the Sterling Exchange drops from 2/6 down to 1/9 in respect of married officers, and 1% for unmarried officers, that is to say, with a maximum of 18% and 9% respectively, which means an increase over the nominal salaries of 34.4% on conversion in respect of married officers, and 27.2% for unmarried officers, on a 2/- basis.

It should here be noted that since the Commission delivered its Report, the Finance Committee were approached by the Government, and asked to extend the exchange compensation scale down to 1/6, so as to assist them over a period of uncertainty, to which the Finance Committee agreed, but as a temporary measure only, and subject to any decision that might be come to, in reference to the Report. It was not the intention of the Finance Committee to make this permanent, and they were not prepared to treat it even as a High Cost of Living Allowance. They had not then considered the Report, and this decision was a temporary one only, and was not intended to bind them permanently in any way, but merely to assist the Government out of a temporary difficult situation, that had then arisen.

- (2) Dollar officers are paid on the basis authorised after the 1919 Salaries Commission had delivered its Report, and were settled from time to time during the years 1920 and 1921.

It is not possible to give any satisfactory idea of what the increases, either sterling or dollar, amounted to, as the information has never been in my hands.

Halcyon Years.

It is, I think, fair to assume they were on a generous scale. The years 1919, 1920 and 1921, were halcyon years—I think without doubt the most prosperous period in the Colony's history; many of us will remember those days of prosperity, the fat balance sheets, and the overflowing banking accounts. The average rate of exchange for the year 1919 was 3/9.7/16, for 1920 4/3.11/16, and for 1921 2/7.7/16. It was a period when generosity was the order of the day, and it was not until 1923 that this artificial situation subsided, rather more quickly than was pleasant, to be followed by the debacle of 1925.

It is a fair argument, I think, that the high rates of exchange which we have enjoyed in past years have created an unduly and unwarranted high standard of living, and must now be reduced. We must cut our coat according to our cloth.

In 1925 certain rent allowances were granted after 10 years' service.

Commission's Recommendations. Let us now consider broadly, what the Commissioners have recommended.

- (1) To sterling officers, the nominal salaries fixed after the 1919 Commission, plus 15%, plus a further 15% as a High Cost of Living Allowance in respect of married officers, and 7½% for unmarried officers, convertible at the rate of the day, which if granted in toto would mean an increase over the nominal salaries of 32½%, in respect of married officers and 16% for unmarried officers, on 2/- basis.

It should here be noted that the second 15% and 7½%, i.e., the High Cost of Living Allowance is discretionary in the Government—that is to say it can be given in toto, in part, or not at all, if the Government so desires. The Commission recommended that the first 15% should be taken into account for leave, and pensions, whereas at the present time leave and pensions are calculated on the nominal salary only.

- (2) To dollar officers, a 20% all round increase, on the basis authorised after the 1919 Salaries Commission had delivered its Report.
- (3) The housing provision or rent allowances as at present existing are generally approved; there are, however, certain recommendations in respect of the

dollar officers who have not had 10 years' service, and are referred to in paragraph 180 of the Report.

Generally, an officer gets his housing accommodation on the basis of 6% of his salary and 1% for furniture, or an allowance, which in the case of sterling officers works out from \$100 to \$200 per month. The Report of the Commissioners must now be viewed from two aspects.

- (1) The recommendations in respect of the sterling officers, and
- (2) The recommendations in respect of the dollar officers.

As regards (1)—the sterling officers. The exchange has not remained at 2/-, but something which was not foreseen by any one has happened—exchange has dropped to the neighbourhood of 1/6, a fall of no less than 25%. The Commission visualised an exchange of about 2/-, and did not intend to give to an officer more dollars than he is already drawing, but on the basis of conversion recommended, he gets the full benefit of the drop, which was not contemplated.

Now, I do not think anyone will argue that the cost of living has risen to anything like the extent the dollar has fallen, in other words an officer will receive under the Report, dollars substantially in excess of any rise in the cost of living, so that the officer will benefit to an extent the Commission did not intend.

Let us now take a concrete case of an officer, who is entitled to a salary of £1,000 per annum.

At the present time on the basis of a 2/- dollar he will receive \$1,120 per month—and with his maximum exchange compensation in \$1,180 per month—his exchange compensation is worth \$60 per month to him. Under the Report, on the basis of 2/-, he will get \$1,102 per month—in fact he loses \$18 per month, whilst if exchange is 1/6 he will get \$1,469 per month, or an increase of \$289 per month.

It might be fairly argued that the Commissioners intended to give him \$18 per month less than he is at present drawing, but the drop in exchange will give him a rise of \$289 per month.

If the Report is adopted, less the second 15%, he would get \$1,277 per month, or an increase of \$175 per month.

If I am correct in my submission, that the question of pensions was not within the terms of reference, and should be dealt with in a different manner, then I arrive at the conclusion that for practical purposes, the basis of the Report, as regards sterling officers, has gone, and some very substantially amended formula ought to be adopted.

The Dollar Officers.

As regards (2)—the dollar officers. In the first place we do not know what was the actual result of the 1919 Commission, but we are inclined to think it was possibly generous.

On the face of the Report under review, the Commissioners recommended an all round increase of 20% on the results of the 1919 Salaries Commission.

The dollar officers cover a great range of employment, and it is in these classes that the main repercussions will most probably be felt on outside employment. It is difficult for me to speak, with any degree of knowledge, as to what is, under all the circumstances, fair and equitable pay for these various classes of employment.

When considering Government salaries, one must bear in mind certain advantages they receive such as pensions, passage for themselves and family, housing or rent allowance, preferential rate for medical service, continuity of employment, safety of employment and protection against arbitrary dismissal.

I will now give some comparisons between the Commissioners' recommendations, present Government salaries, and outside employment.

Three Important Aspects.

Subsequently representatives of the employers, who had been consulted by the Hongkong General Chamber of Commerce, were afforded an opportunity of meeting the Members of the Commission, but little result was possible, because in the first place, the Report had already been completed and published, and secondly, the Commissioners could only deal with matters within the terms of the reference, but three important aspects of the problem became apparent.

- (1) That the Commissioners did not consider it necessary to consult outside employers, and had confined their investigations to Government employees.
- (2) That they did not take into their consideration the effect of their report on outside employment, or attempt to decide on an economical wage, and
- (3) They were not by the terms of reference called upon to consider how their recommendations should be implemented.

(Continued on Page 6.)



Watch The Fruit Your Children Eat.

Most children love fruit and many are prone to eat it regardless of its condition. Fruit that is unripe, over-ripe, damaged, or upon which flies have rested, is highly dangerous, causing acute stomach trouble, diarrhoea, cholera, worms.

When you have reason to suspect your child has eaten fruit of a doubtful character the best course is to administer

Baby's Own Tablets

at once, for these tablets quickly but gently cleanse the stomach and bowels, correct indigestion, allay colic, check diarrhoea if present, expel worms. They also ease teething pains almost as if by magic, relieve croup and colds, thus bringing sound, health-restoring sleep to the little one in a perfectly normal way. Of chemists everywhere, 60 cents per vial.

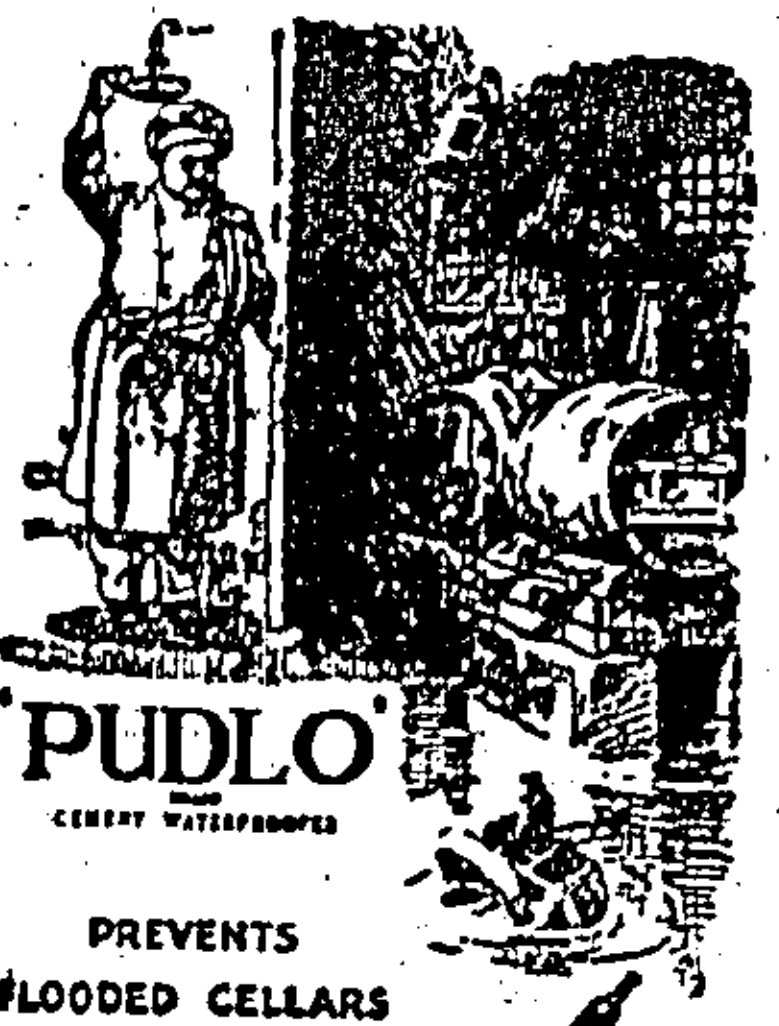
New Victor Records

FOR

June

TSANG FOOK PIANO CO.

8, Des Voeux Road, Central.

(Entrance 100 House Street.)
Telephone C. 24648.

PUDLO
PREVENTS
FLOODED CELLARS

Sole Agents for Hongkong & S. China
DODWELL & CO., LTD.
Hongkong.....Tel. 28021.

ELECTRIC BATHS
TONE THE SYSTEM.
TESTER BEAUTY PARLOUR
Kayanally Building, Tel. 22103
Men's Dept.
Open till 7 p.m. & on Sunday mornings

BATTERY CHARGING
— and all kind of car
repairs competently effected
by—

FIAT GARAGE
67, Des Voeux Rd. Tel. 24821

SALARIES' REPORT APPROVED.

(Continued from Page 5.)

Later, the same employers met the Government, and heard from Government representatives, appointed for the purpose, the general views of the Government on the Report.

The general conclusion to which I am driven is, that in view of the very strong opinion expressed adverse to the Report, the recommendations of the Commissioners require further and wider investigation and consideration on a much more extended basis.

SCHEDULE COMPARATIVE SALARIES & WAGES.

(Approximate Dollars drawn per month excluding House, etc. allowances.)

	Government Service As Recommended by Salaries Report in toto, on basis of 1/6 exchange	As at present Paid, on basis of 1/6 exchange	Outside Employment for same or equivalent type of post Dollars per month
Medical Officers	894 to 1,507	708 to 1,204	500 to 800
Public Works Engineers	703 to 1,489	543 to 1,180	389 to 875
Education Masters (European)	639 to 1,214	501 to 944	400 to 800
Clerks Senior Classes	767 to 894	590 to 708	400 to 600
Clerks Middle Classes	225 to 467	183 to 400	125 to 300
Clerks Junior Classes	40 to 150	37 to 125	25 to 100
Stenographers	447 to 600	354 to 472	150 to 300
Works Foremen (Chinese)	112 to 171	100 to 150	120.00
Draughtsmen Senior Classes (Chinese)	263 to 375	183 to 233	100 to 200
Draughtsmen Junior Classes (Chinese)	50 to 87	37 to 71	40 to 80
Wireless Operators (Chinese)	125 to 150	100 to 125	60 to 125
Storekeepers & Timekeepers	42 to 80	37 to 71	35 to 50
Office Attendants	16 to 25	12 to 16	13 to 20
Messengers	13 to 17	11 to 15	11 to 15
Coolies—Labouring Classes	14 to 18	13 to 17	15 to 20
Watchmen	21 to 25	20 to 24	20 to 25
Launch Coxswains Majority of Launch Engineers	27 to 37	25 to 35	25 to 35
Motor Drivers	46 to 54	45 to 50	45 to 50

The Cost of the Report.

Let us now turn to the cost of the Report to the Colony should we adopt it.

(a) The present sterling salaries, including exchange compensation, on a basis of exchange at 1/10 which is the basis now budgeted for, will cost \$3,240,034. The present dollar salaries, including rent allowances, will cost \$3,781,173 making a total cost to the Colony of \$9,021,207.

(b) If the Report is adopted in its entirety the extra cost to the Colony beyond the present Budget figures, of the sterling salaries, will be \$1,579,270, and the dollar salaries \$963,728, making a total extra cost of \$2,542,998.

(c) If the Report is adopted less the second 15% (High Cost of Living), and less the further rent allowances recommended by the Commission, the cost to the Colony beyond the present Budget figures will be \$2,048,917.

(d) Should the temporary concession, that is to say exchange compensation down to 1/6, be regarded as a permanent concession and as already granted, then leaving out the second 15% (High Cost of Living), and less the further rent allowances recommended by the Commission, the cost to the Colony will be \$1,671,517.

(e) The saving on the second 15% (High Cost of Living) would be \$245,800, and on the extra rent allowance recommended \$248,281.

It must be borne in mind that although the figures given include the cost of pensions, they do not include the cost of the extra Military Contribution, which is on the basis of one-fifth of the revenue, less certain deductions.

Burden on the Rates.

Now, how is this money to be found—obviously by new taxation. At once we ask what form will it take?

A rate of 1% brings in \$350,000, it will therefore require 7% on the rates to bring in the required amount, or if it is not decided to increase the rates to that extent, some other form of taxation must be found.

Let us now consider the result of the Report, if it is adopted as it stands. It must in the first place inevitably react on all outside employment—it is only natural if Government servants are given all round increases, outside employment will want similar concessions, and the burden must, of course, fall on employers. Secondly, who will have to find the money to implement the Report—largely the big concerns who pay the rates on their extensive buildings and undertakings. The result is, a very large proportion of the burden will fall on the employers.

If employers are called upon to pay more in taxation and increased wages, the cost will inevitably have to be met by reducing the staffs, and the calling for increased efforts from those retained.

I doubt whether anyone in this Colony will argue that the present is a propitious time to cast heavier and increased financial burdens on our trades and industries.

An Important Work.

It might be thought, from the arguments I have put forward, that the Salaries Commission Report should be scrapped—that is not really my view, for I regard it as an important work, and of considerable value as far as it goes, as it forms the basis for further and more comprehensive consideration; a wider field must be enquired into, and other interests consulted. It would be unthinkable to totally disregard so valuable a document.

I find it impossible to adopt the Report in toto as it now stands; in fact I should regard myself wanting in my duty to the Colony should I support it at the moment.

This letter comes very timely, and without doubt the same feeling exists throughout the Colony—though at the moment it may not be generally realised what the effect of any further increase in taxation will mean to thousands of non-official residents who are already sorely pressed by high rents and increasingly high cost of living.

Government has in the past asked for and received, valuable advice from the K.R.A. and I do most sincerely trust that Your Excellency will now give a full and sympathetic heed to their request.

Unofficial members and the rest of the Colony owe a debt of gratitude to the Committee of the Association for their appeal to Government.

An Intolerable Hardship.

I can assure your Excellency that it would give me great pleasure to approve without further reference the Commission's Report, were it possible, and were it in my opinion justified, but in all honesty I cannot see how it is possible without inflicting an intolerable hardship on trade and the Colony generally, nor in view of the figures which I have already referred to.

How far my colleagues will approve the manner in which I have expressed my views I do not know, but on this we are of one mind, that owing to entirely changed conditions since the Report was presented, a re-survey is absolutely necessary and essential.

Without again going over all the figures I will only remind Your Excellency that in all their consideration and calculations the Commissioners visualised the dollar as remaining in the region of about 2/-; they never contemplated anything approaching 1/6 (the figure to which temporary adjustments have already been granted to sterling salaried people), how much more then is it necessary to review the whole matter with the dollar at 1/3. Will it for one moment be contended that had the Commission been called upon to consider the matter on the basis of these figures they would have arrived at the same conclusions? It is for this reason above all others that I most earnestly beg Your Excellency to give effect to the amendment.

INCREASE UNJUSTIFIED.

Chamber of Commerce Objections.

HON. MR. C. G. S. MACKIE.

Hon. Mr. C. G. S. Mackie.—In support of the amendment proposed by the Hon. member representing the Hongkong General Chamber of Commerce I, as Chairman of the Chamber, wish to endorse the arguments which he, and through him, Mr. Shenton, have put forward against the adoption of the Report of the Salaries Commission. The principal business interests in the Colony have clearly shown that the present salaries of both the Sterling and Dollar paid Officers compare favourably with the salaries paid to employees in commercial and industrial concerns. All employers in the Colony have recognized that within the last few years the cost of living has increased and this has been allowed for in the present scale of wages paid, particularly to locally engaged assistants.

The abnormal drop in the value of the dollar is quite another question, but to meet this situation employers generally have granted their Sterling paid employees an exchange compensation to help them out of their difficulties. In the absence of trade this means a severe tax on employers, a strain that some may find it hard to stand. It is also recognized that if the present low level of exchange continues for a period the cost of living is likely to increase still more. This may necessitate a further adjustment of wages in the case of locally engaged assistants. Any adjustment, however, would be of a temporary nature.

The all round increase of 20% to dollar paid employees recommended by the Salaries Commission is, in the opinion of the business interests in this Colony, quite unjustified.

By the adoption of the Report of the Salaries Commission a heavy burden would be thrown on the taxpayers of this Colony and would be reflected by a still further increase in the cost of living. I understand it is not proposed to introduce an increase in the rates now, but this will be necessary in the immediate future if the scale of salaries recommended is brought into force.

Any action of the Government which tends to place an additional hammer on trade at the present time must be viewed with grave concern by all who are dependent on the future prosperity of Hongkong. With these remarks I beg to second the amendment proposed by the Hon. Mr. Owen Hughes.

Hon. Mr. J. J. Paterson.—I would like to register my support to the amendment. As the matter has been very fully dealt with by the proposer and second I do not propose to say anything further.

THE GOVERNMENT'S REPLY

"No Sufficient Justification for Further Delay."

A "GRATUITOUS ASSUMPTION."

The Colonial Secretary.—I have listened with much interest to the able speech of the proposer of this amendment but I am authorised by you, Sir, to say that the Government cannot accept the amendment which my Hon. friend, Mr. Owen Hughes, proposes. The reasons for this decision are, I think, set out sufficiently fully in the remarks with which I introduced the substantive motion, and the Government cannot see any sufficient grounds for further delay. It must be remembered that the Salaries Report has been under public discussion since September last. It has been exhaustively considered by a special Committee of the Chamber of Commerce which, as the honourable member pointed out, has consulted, I suppose, every firm of importance in the Colony, in one way or another in order to get their views on the Report; and the very full report of that Special Committee, which has been adopted by the Committee of the Chamber and has been examined by the Government and by the Secretary of State. In fact much of the delay which has occurred has been due to the desire of the Government to meet the wishes of the Unofficial members that the scheme should not be proceeded with until the views of the Chamber had been first ascertained and then considered, both locally and by the Secretary of State. Moreover, the Chamber's representatives, with members of the Special Committee, had interviews both with members of the Commission and with representatives of the Government. The recommendations of the Commission have been very fully ventilated in the Press. The full facts are before us and I am at a loss to know what the Hon. member hopes to gain from a further Committee on the Report—except delay—and as I said before, the Government sees no sufficient justification for further delay. The matter has been under consideration since early in 1928. The Commission took nearly a year over its work—and another Committee, which my honourable friend was careful to point out was to go in for a further and wider investigation and consideration on a much more extended basis, might easily take at any rate as long if not longer—and when its recommendations were received, we might then be asked for yet another Committee because conditions had undergone still further changes and so we might go on piling Committee on Committee, till hope deferred had made sick the heart of every Government servant in the Colony. Many of the large firms have already taken action to compensate their employees for the drop in the dollar and it is high time that Government took action in the interests of its dollar as well as its sterling salaried officers. If it is to retain a reasonably contented service, I was glad to notice the generous speech to the work of the Commissioners. I associate myself in that tribute, for the Government is satisfied that it had very able Commissioners indeed, and that, whoever it appointed, it would not have been likely to obtain a more equitable report.

Effect on Pensions.

I regret that I do not quite follow the Hon. member's argument as regards Pensions. Pensions are based on salary on a scheme which is more or less uniform throughout the Colonial Services, and any recommendations as to salary necessarily have a reaction on pensions; but the question of pensions was not specifically referred to the Commission and it is not likely that Hongkong would be permitted to make any radical departure from the general principles on which pensions are calculated throughout the Colonial Services.

An Assumption Answered.

The Hon. Member assumes that the increases in 1919–20–21 were on a generous scale. He admits he has no evidence of this beyond the fact that, to quote his words, "generosity was the order of the day." I deprecate most strongly this attempt to prejudice the minds of Hon. members by assumptions supported by so flimsy an excuse. How gratuitous the assumption is can be shown by a reference to the Hansard of 1919. If the Council will allow me I should like to read what one of the Unofficial Members of that day said on the 1919 Salaries Revision.

I quote from the speech of the Hon. Mr. R. G. Shewan on pages 101 and 102 of the 1919 Hansard. "There is only one matter which I really meant to refer to. I had the honour of serving on the Civil Service Salaries Commission and I was rather surprised when I returned to the Colony to find that no official announcement had been made on that subject. As to our recommendations I think I may say without revealing any secrets that we approached the matter determined not to lay our-

selves open to any charges of extravagance or over-generosity. We want to be as economical and conservative of the Colony's money as we could possibly be. But I am bound to say that on enquiry into the matter we found that the case of the Civil Servants for the redress of their grievances was overwhelmingly strong. They have suffered long and silently and stoically from the fluctuations of exchange, from the high rents of houses and from the general increased cost of living in the Colony.

"We examined personally every applicant and in no instance did we recommend any expenditure or any increase that we did not think absolutely justified by the facts. It was a matter of bare justice, and nothing more."

But Sir, we are not dealing now with the question of whether the salaries fixed in 1919/20 were generous at that time. Many of us were not here then and cannot say how they compared with the cost of living in those days. What we have to consider is whether the present salaries and system of payment are fitted to the conditions of to-day.

The Exchange Factor.

Again the Hon. member says that owing to the drop of the dollar the sterling paid officer will benefit to an extent the Commission did not intend. On this I join issue with him. The Hon. member seems to me to have forgotten the factor introduced by the Commission. If I understood the Commissioners correctly they did intend that an officer should receive the full dollar equivalent of his substantive salary, however low the dollar may fall and that adjustment should be made by the variable factor of the High Cost of Living Allowance of 15% of 7½%. The scheme of conversion is not something specially devised for Government servants. I believe I am right in saying that it is in force to-day in at least one very large commercial firm in the Colony.

Not Specially Privileged.

The Hon. member also refers to certain advantages enjoyed by Government servants such as pensions, passages, housing or rent allowances preferential rates for medical service, continuity of employment, safety of employment and protection against dismissal. Now of these, preferential medical rates have no practical bearing above the lower grades. There is a certain continuity and safety of employment and protection against unjust dismissal, but I doubt if they amount to much as compared with the security enjoyed by any honest hard working officer in any of the large commercial firms. The Government service cannot be compared with the small business employing a small number of clerks or assistants. It can only be compared with large firms employing large staffs of varied character—and among these it would rank probably as the largest. The Hon. member speaks as though only Government servants enjoyed the privileges he refers to, but which of the large firms has not found it necessary to provide some form of pension or provident fund, some form of medical aid, some scheme of assisted passages and some system of housing for its employees. The details are difficult to obtain but if I am not much mistaken you will find that most of the large Banks, the Insurance Houses, the Shipping Firms, the Ship-building firms, and some of the larger Commercial houses do provide these things for their officers and that the Government servants are not specially privileged in these respects.

I cannot attempt to deal in my reply with the detailed list of salaries quoted by the honourable member. It is impossible for me to say if the figures quoted in the list he read out give any just comparison at all without knowing the exact conditions of service attached to the posts of which the commercial salaries are the equivalent.

I need not refer to the Hon. member's remarks on how the cost of the scheme is to be met as I have dealt with this very fully already. His conclusion leads him to the amendment he has proposed. As I have already said, Sir, this amounts merely to further delay. No good is likely to come of a further Committee on the report, nor is any greater finality likely to be reached, and the Government therefore regrets that it cannot accept the Hon. member's amendment.

HIS EXCELLENCY'S VIEWS.

Payment of New Rates Mere Act of Justice.

OVERLOADED PERSONNEL.

H. E. The Governor.—Honourable Members, I think that if it is desirable that I should give my views on this question at this stage, though the matter has been so adequately dealt with in the very able speech of my Honourable friend the Colonial Secretary that there does not appear to be a great deal left

for me to say. I ask for your indulgence if I cover to some extent the same ground. I congratulate the mover of the amendment on his eloquent speech and can only express regret that I have not found it sufficiently convincing. I am very sorry that such a strong difference of opinion should have arisen at my first meeting of this Council, but it appears to have been inevitable. Further, I need hardly say that it is a matter of great regret among the officers of the Government that, on a question of this kind, it has not been found possible to obtain the support and agreement of the unofficial members.

There appear to be two main aspects of this question: First, whether the recommendations of the Salaries Commission, as regards basic salaries, are justified. Second, whether, assuming that they are justified, this is the proper time to put them into effect.

I approached this question with an open mind, but with some experience of a similar question in Malaya, and I have studied the report of the Commission very carefully. The Commission appointed by my predecessor to go into this question was, it must be admitted, a very strong one. It consisted of, first, the highest judicial officer of the Crown, a man whose opinion has always carried considerable weight, who has been accustomed for many years to weigh up judicially all the pros and cons of any question, and who had a wide and varied knowledge of affairs both in this and other Colonies. The next member was a Chinese member of this Council, with a long and ripe experience of the conditions which obtain both in China and Hongkong, and with a considerable knowledge of the conditions of employment. The third member of the Commission was, if he will allow me to say so, an able and hard-headed business man, with long and valuable financial experience, and a great knowledge of local affairs, and head of one of the largest concerns of its kind in the East. The great value of his advice generally has been recognized by Government in his appointment to be a temporary member of this Council, on which I take this opportunity of tendering him my congratulations. This Commission, after a long and careful investigation, submitted to Government a valuable, well-reasoned and unanimous report. Government is unable to accept the suggestion that a further body of the composition proposed should be appointed "ad hoc" to examine and, in fact, criticize the report submitted by this very competent Commission. In my opinion the proposal is neither complimentary to the Commission, nor do the arguments put forward in its favour justify it.

Fall of the Dollar.

It has been argued that, owing to the fall of the dollar, conditions have materially changed, but I am of the opinion that this fact does not fundamentally alter the basic recommendations that were made. It is true that the general recommendations were to some extent based on the assumption that the dollar would approximate to two shillings. At the same time, it seems to me that the Commission endeavoured to deal with the possibility of a greater variation in recommending that Government should reserve the power to grant a high cost of living allowance. As stated by the Honourable Colonial Secretary, Government, in view of present conditions, proposes to deal with the high cost of living allowance by not bringing it into force with the dollar as low as it is to-day, and further, as is shown in the resolution, moved by the Honourable Colonial Secretary, will not introduce such an allowance without reference to this Council.

As regards the basic sterling salaries recommended by the Commission, I am of the opinion that they are not higher than is justified. Having regard to the cost of living, similar salaries in Malaya appear to me to be higher, for, though the salaries there are quoted in dollars, the fact that the dollar there is fixed gives them the effect of sterling rates. My experience there showed that, with a lower rate of salary, the recruitment of competent and suitable officers was almost impossible, and those rates had to be raised in order to ensure our getting the type of officer that was necessary. I am convinced, after many years' experience in a large Civil Service in one of our Far Eastern colonies and protectorates, that it is absolutely essential to maintain a high standard of Government efficiency. More is involved than the mere carrying out of normal duties, and it would be fatal, in my mind, to the welfare of a Colony to allow the standard to go down, owing to the payment of inadequate salaries. This is the view of the Warren Fisher Committee, referred to by my honourable friend the Colonial Secretary.

Increase Justified.

I understand that it is the opinion of many unofficials, both in this Council and out of it, that there is justification for raising the salaries of a certain number of Government officers, but that there is some demur to an all-round rise. I submit that, once it is granted that the salaries of a number of these officers

(Continued on Page 11.)

SMUGGLER OF THE AIR.

SECRET PLANES OF A MILLIONAIRE.

A condensed novel, of smuggling, of fabulous wealth, of a secret flying fleet, and of a double life, is to be found in the results of an inquiry just concluded in Montreal and Chicago.

If it had not been for his over-weening ambition and audacity, Mr. Frank J. Parker might still be the rich "leading citizen" of Montreal.

He was head of the largest distillery in the Canadian metropolis; and was in the heyday of his prosperity when he proclaimed a desire to have his name changed by Act of Parliament.

He explained this wish as due to the embarrassing publicity given to a "namesake" in Chicago.

His Chicagoan "namesake" was the Frank J. Parker who began as a petty gangster and in a few years rose to be Chicago's "Bootleg King," with a fleet of aeroplanes and a

fortune estimated to exceed \$1,000,000.

This "namesake" and the Montreal name-changing incident were recalled when the "leading citizen" was arrested on charges of perjury.

That arrest was a sequel to an investigation of the failure of the Dominion Distillers, Limited, of which Mr. Frank J. Parker, of Montreal, had been president and manager.

When the Montreal downfall came the Customs authorities sent an agent to compare the photographs and fingerprints of the Parker under arrest (who was accused of secretly withdrawing whisky from bond to escape payment of taxes) with the record of the Parker of Chicago.

The latter had served a term in prison in Illinois for burglary, and his police record there was complete.

When the Canadian agent returned he declared that Parker of Chicago and Parker of Montreal were one and the same person.

He was told by the police that Parker had amassed riches by selling Canadian spirits brought across the border in aeroplanes.

WOMAN'S WORLD
FOR OUR LADY READERS.

Evening Shoes.

DEPEND ON TYPE OF GOWN WORN.

There is little doubt that evening shoes this season will depend for their appearance upon the type of gown which will be worn. With a dress which nearly touches the ground at the back and clears the toes in front, a model with a vamp showing a little decorative effect, will be charming.

If the gown is cut up at each side so as to allow some of the ankle to be seen, a sandal shape cut low enough to show the form of the foot will be effective.

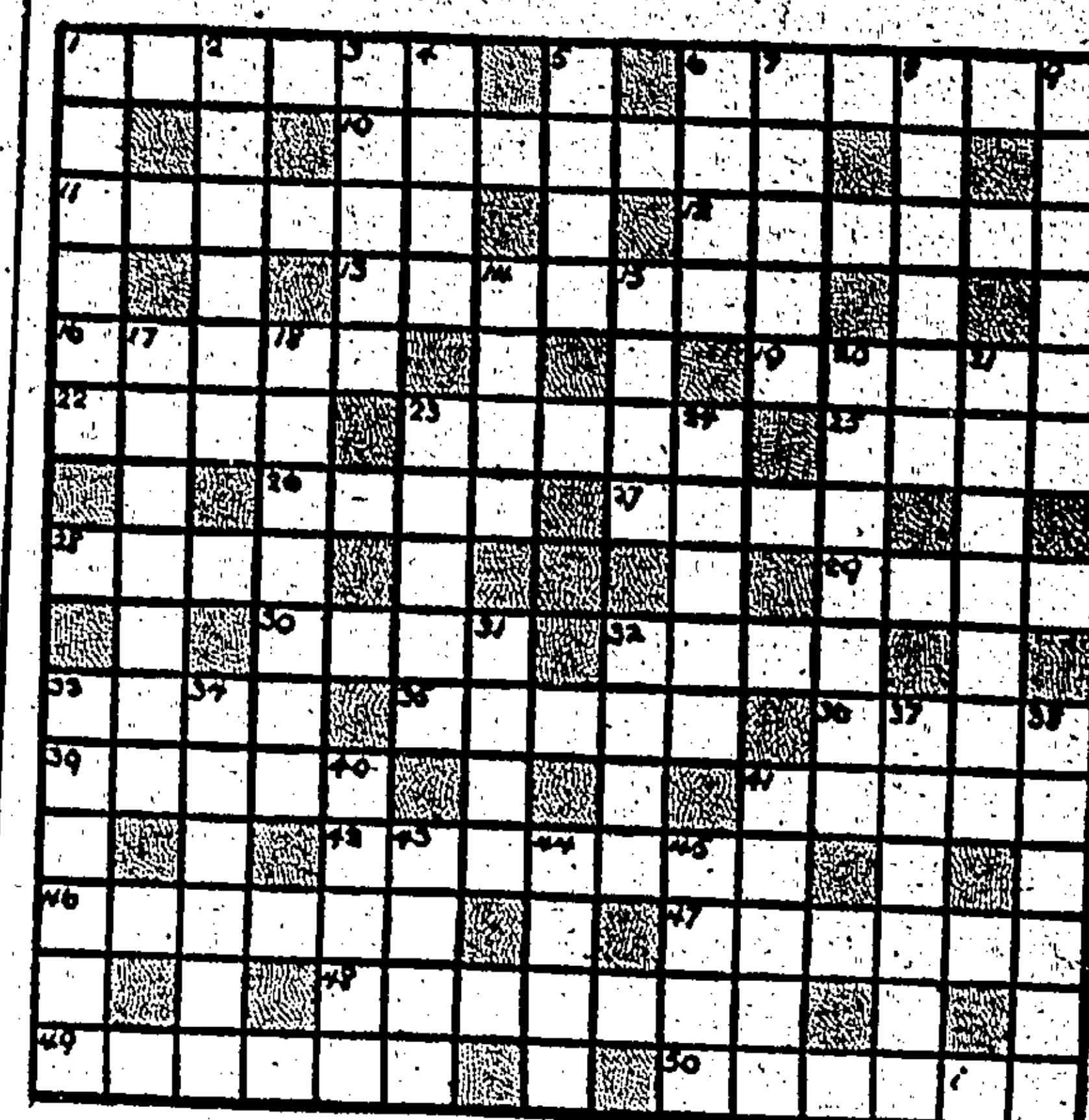
With another type of frock, the heel will obtain more importance. There are some lovely shoes to be seen for evening wear in crepe-de-chine. These are especially pretty in blonde shades, in pale blue, pink, lilac, pale green, and yellow.

Yellow—real buttercup yellow—is to be seen in slippers for tiny tots. But this season, there is no end to the really dainty designs in footwear for little people; pleated canvas and canvas lavishly embroidered with raffia, all in the gayest colours, are two styles which should particularly please their wearers.

The plain country shoe, to be up-to-date, must have a tiny acorn to the end of each lace as a finish.



OUR BRITISH CROSSWORDS.



Across

- 1 Foundation of a column.
- 6 Not clear.
- 10 Enmity.
- 11 Layman.
- 12 Periodical.
- 13 Moderation.
- 16 Spring flower.
- 19 Strides.
- 22 Leave as it is.
- 23 Gibe.
- 25 Once.
- 26 Departure.
- 27 Mountain lake.
- 28 Ornament.
- 29 Stupid.
- 30 Influenced by fear.
- 32 Pertaining to wings.
- 33 Obligation.
- 35 Fishing net.
- 36 Paraglyph.
- 39 Lazus.
- 41 Bellow.
- 42 Barrister.
- 46 Peril.
- 47 Stayed for.
- 48 Rogues.
- 49 Builder in stone.
- 50 Darkness.

Down

- 1 Guides.
- 2 Piece of ice.
- 3 Vagrant.
- 4 Circle of light.
- 5 Maturity.
- 6 Push out.
- 7 Waits on.
- 8 Shudder.

- 9 Enrol.
- 14 Waterway.
- 15 Resilient.
- 17 Voiced.
- 18 Repeat.
- 20 Spiral shoot.
- 21 Book of psalms.
- 23 Twice three (Plural).
- 24 Fairy tale.
- 21 Think.
- 32 West Indian shrub.
- 33 Crown.
- 34 Spaces.
- 37 Sipped.
- 38 Lea.
- 40 Strict.
- 41 Confused heap of fragments.
- 43 Ages.
- 44 Treaty.
- 45 Instrument for making holes.

Yesterday's Solution.

PODS CHAFF GLUT
ORIEL UNION O I
MIEN SWELL MACE
PEDANT WELD MAR
N TEAM DOAB D
ATTENT A WITLDS
N E TULLE SNAIL
TIN SATED TREE
INSET PARED V P
CREDIT R BASAL
O SEWS FRAME E
LAW DIAL TENANT
ADIT SLATE INTO
C F STONE HOTEL
KEEN SNEAK REND

EX-CONVICTS' BEST FRIEND.

MAN WHO TRUSTS THE "HOPELESS CASES."

A man who is working for the redemption of ex-prisoners with a long history of penal servitude behind them, and who at present has about a dozen under his care whose sentences average over 20 years each, was discovered by the *Daily Chronicle*.

All the men are getting on well in the positions their benefactor has found for them.

They were hopeless cases to everyone but him. By his kindness he has made them regain their self-respect and the respect of those with whom they work. This most unconventional type of philanthropist is Mr. Arnold Hall.

He is not a missionary, but a business man, and in appearance very unlike "the friend of the old lag."

"I became interested in prisoners in 1923," he explained, "when I was asked to organise a concert for one of the penal prisons."

Still Human.

"Through that I came to know the men and to realise that they were still human."

"I have a simple formula for winning them over. First of all I trust them; that breeds a new self-respect in them. Then I offer

them work and wages, and if they want that I find someone to take them on.

"Among my ex-convict friends I have one who was 43 years in prison altogether, but is now a butler in a trusted position, doing well and saving money."

"One with 23 years in prison is a bricklayer, and there are no complaints; another with 20 years is a steel-erection worker; another with 15 years is a successful gardener."

Mr. Hall quoted many other similar instances.

Prison Scheme.

"They are all doing well," he said. "When they first start they are neurasthenic. It is a big change from the prison cell and the reaction upsets them. But once they get over it they are happy."

"I do what I can in a small way, but, in addition, I have a scheme which I hope the Prison Commissioners may take up."

"It is based on my argument that prison unfit the most well-intentioned prisoner for honest work. Prisoners ought to be trained to work in the prison, and they should be given an economic wage of £2 a week, being charged 30s. for their keep. Five shillings should be paid to their dependents and 5s. held in trust for them."

"My scheme is 'Industrialise the Prisons.' Give these unfortunates work when they come out and at least 10 per cent. of the 'hopeless cases' will go straight."

WHY SWELTER

in the tropic heat when
boats leave almost daily
for breezy TSINGTAO.

Write Tsingtao P. O. Box 225.

for booklet and for list
of recommended Hotels
and Boarding Houses or
for any other information.

E. HING & CO.

SHIPBUILDING MATERIALS, SHIP CHANDLERS
HARDWARE MERCHANTS.
25, Wing Woo Street.

YOUR CHILDREN'S EDUCATION

OR

PROFESSIONAL TRAINING.

PAY PREMIUMS IN HONGKONG DOLLARS AND
CONVERT TO STERLING WHEN REQUIRED.

Example

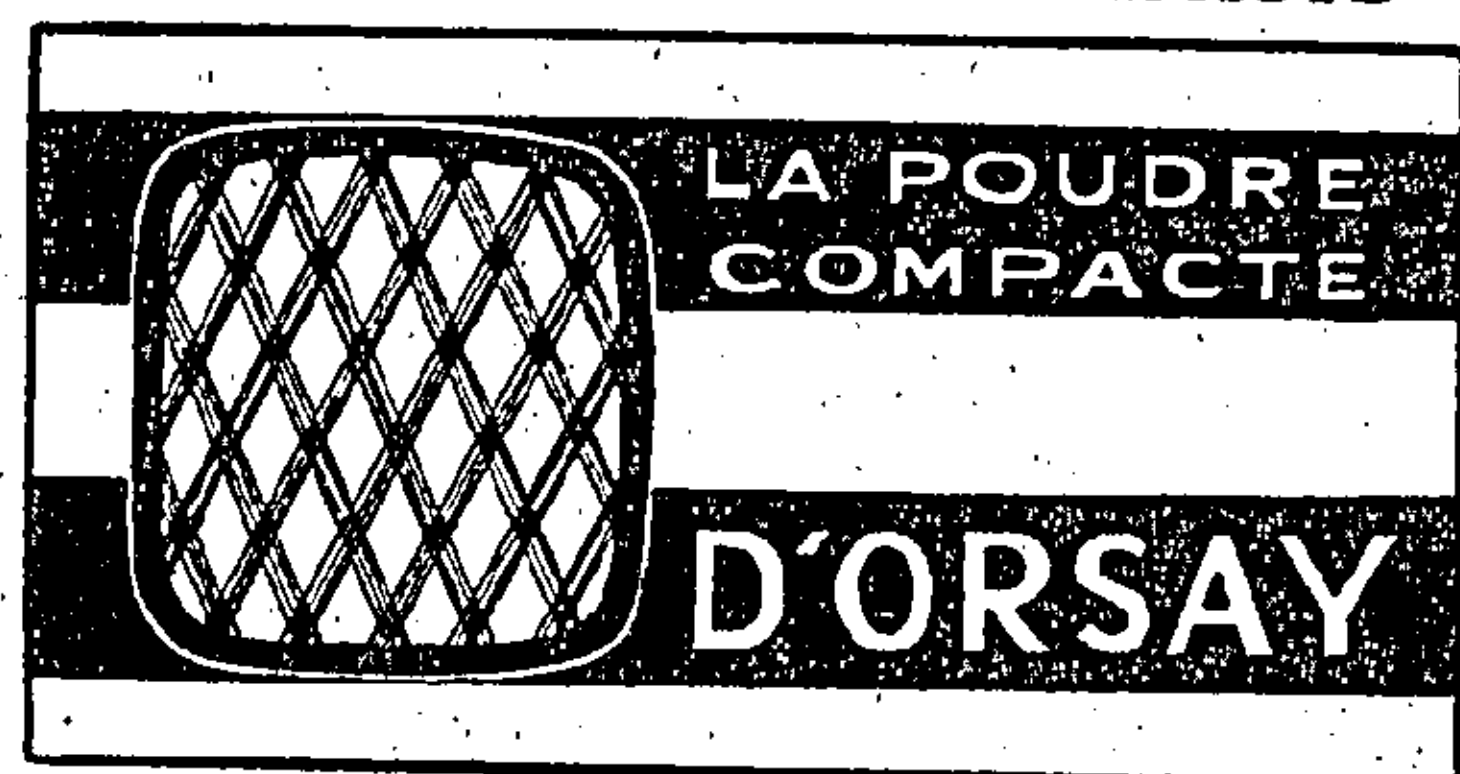
A man aged 30 pays HK \$389 per annum to provide HK \$10,000 payable in 15 years. Premiums CEASE at his death and policy remains in force for full amount. Premiums returnable with 3½% simple interest in event of child's death.
If exchange goes to 2/- during the currency of the policy it can be converted to £1,000 without any payment in respect of back premiums.

All ages and terms quoted on application to:-

CHINA UNDERWRITERS, LTD.

Hong Kong Bank Building,
Telephone 28121.

THE LAST WORD IN COMPACTS



Ask for it at—

The Colonial Dispensary
Tel. 21877, 13, Queen's Road, Central.

Being A Woman is No Fun!

(By One of Them.)

In spite of our boasted emancipation, it's no fun being a woman especially a married one.

She is told, for instance, that it is the duty of every woman to look attractive. Discounting at once that this is in many cases impossible, there is the great and insurmountable, factor, finance.

Dressing on Fourpence a Year.

To an unmarried daughter at home whose father has been told that another girl dresses on fourpence a year and who knows that all that girl's clothes are bought for her by rich aunts; to the young bride who is told that she must look as smart as Mrs. Hotchpotch because it is good for the firm, but who has £50 a year against the latter's £200, to the wife who has grown old with keeping even the uncertain temper of her spouse—to all those the subject of money is the one most easily calculated to act as a bar to matrimonial happiness.

Good-bye to Liberty.

The liberty she enjoyed before marriage vanishes. She may not wander off for a week-end if she feels inclined. She may not stay out all night without first leaving the telephone number of every possible house she visits. She, having no office cannot stay there and so avoid ordering and often cooking the dinner.

She cannot have a headache and postpone a party, she has to play bridge with throbbing temples. In the intervals she is detailed off to amuse dull Mrs. Brown (Mr. Brown having the power to give or withhold promotion).

The Working Partner.

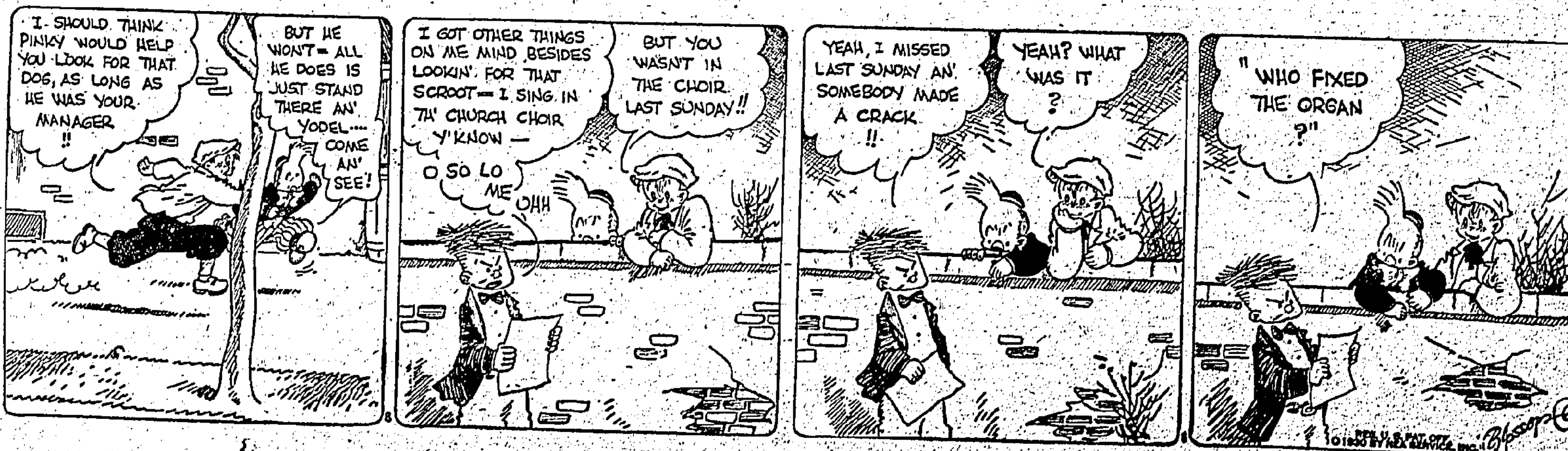
That every man regards the woman as the working partner is made more than evident by the fact that he calls his car "she," his motorboat "she," and, indeed, all those things which do for him the work he cannot do himself.

Being a woman has, of course, its pleasant moments. It is pleasant to be taken out to dinner and to dance, to be given flowers and to be treated as if you were the only woman in the world. It is nice to be well dressed, especially when you look round and see the results of other women's efforts. But this idea that a woman's life is all "jam" is wrong.

FRECKLES AND HIS FRIENDS

He'll Show Them Now

By Blogger

FLETCHER'S
SKETOCIDE

KILLS FLIES, MOSQUITOES,
BUGS AND OTHER INSECTS

THE PHARMACY

(FLETCHER & CO., LTD.)

A.P.C. Building.

Tel. 20345.

MARSHOLL DISINFECTANT.

Marshall's Lysol.
The best for Personal Hygiene.
For Cleansing and Disinfecting.

Keep your home germ-proof!!

Sole distributors for Hongkong:—

A. S. WATSON & CO., LTD.
Wholesale and Retail Chemists.
Established 1841.



June
Victor Records

Including Album C-8

Selections from the Repertoire of
Yvonne Printemps & Sacha Guitry

S. MOUTRIE & CO., LTD.
Chater Road

For the Tiny Tots

A CHARMING RANGE OF
Hand Embroidered
Suits,
Rompers,
and
Dress.

White

Canvas Buckskin
Shoes & Sandals
in all sizes.

See Our Window Display.

Lane, Crawford, Ltd.

Children's Dept.

The Hongkong Hotel Garage.

Main Garage, Stubbs Rd.
Tel. 27778 & 27779
Manager, 4th Floor.
Tel. 27779
Accounts, 4th Floor
Tel. 27779
Sales General, 3rd Floor
(Entrance)
Tel. 27779
Service, 2nd Floor.
Tel. 27778

Sales, Tyres and Accessories
25, Queen's Road.
Tel. 27779

Livery & Coach Service
Hongkong—The Peninsula Hotel.
Tel. 27778
Kowloon—The Peninsula Hotel
Tel. 27778

Sub-Garages
Cameron Rd. Tel. 27374
Peak Hotel. Tel. 29202
Repulse Bay Hotel.
Tel. 27775

The Hongkong & Shanghai
Hotels, Ltd.

The
Hongkong Telegraph.

FRIDAY, JUNE 20, 1930.

COLONIAL OFFICE CONFERENCE.

Matters of extreme importance to the Crown Colonies will be dealt with at the Colonial Office Conference, which is to meet in London next week and will continue until the middle of July. As at the 1927 Conference, Hongkong is to be represented, our representative on this occasion being Sir Henry Gollan, who, although his work here has been confined to the judiciary, will no doubt be able to put forward with ability the Hongkong view on questions which may arise of special interest to this Colony. There are several such matters on the agenda, including education, civil aviation, broadcasting, meteorology, prison administration, the staffing of the Colonial Service, cinema films subsidies, and agriculture.

One point of special interest is that since the Labour Government came into power, a Colonial Development Fund has been established under which a sum of one million sterling has been made available to aid and develop agriculture and industry in the Colonial Empire. Already, considerable sums have been allotted under this scheme, but we have never encountered any reference to Hongkong in this connexion. We have in the Colony a specially-formed Agricultural Association, which is concentrating its efforts on the New Territories, and it seems to us that a good case might well be made out by this body for a grant from the Colonial Development Fund. The more the agricultural resources of the New Territories are developed, the better will this Colony be able to become more self-supporting in respect of vegetables and other foodstuffs. To do anything worth while, however, money will be needed, and as the Government at the moment is none too flush with funds, there is all the greater reason why assistance should be obtained from a source specifically created in the interests of development in the Crown Colonies. Similarly, if there are industries here which need developing, they might, also with reason look for aid from this quarter. We are glad to notice, also, that prison administration is one of the subjects to be dealt with, in which connexion the methods of dealing with juvenile offenders are to come up for consideration. There has long been a need in Hongkong for re-

forms in this latter respect, especially since the Colony for years past has had no Reformatory. We hear, however, that this question is likely to be taken up by the Government, and, as a result, we hope to see some steps taken which will bring the Colony more into line with other civilised centres, so that youthful offenders may no longer be thrown into contact with more or less hardened criminals.

Regarding cinema films, we notice that the question of subsidies is to be brought forward at the Conference. It will be interesting to see whether, under this heading, any organised effort will be made to see that more British productions are made available for the Colonies, and also whether steps can be taken whereby really educational films may be secured for schools in the outlying parts of the Empire. There are, of course, many reasons to account for the preponderance of non-British films, prominent amongst which must be mentioned the greater enterprise of our American friends, but we do feel that it would be worth while for the Imperial Government to devise some method whereby, especially in the Crown Colonies, a bigger proportion of British pictures is made available. Obviously we cannot expect cinemas to show such films unless it can be made worth while from a business standpoint, for, after all, the displaying of pictures has become a commercial matter and has to be run on a profit-making basis. It should not be impossible, however, for a scheme, on a subsidy basis, to be evolved as a result of which more British films are released for our overseas possessions.

The Test Match.

The comparative ease with which the Australians subdued some of the strongest County cricket teams, coupled with the reputations of the younger players in the visiting side, lent additional factors of uncertainty to the Test Match. On paper England's team was not unduly strong and as always it came in for a good deal of criticism and there was the usual plethora of alleged reasons why certain players should have been included. The fact remains, however, that England won in one of the finest finishes seen in Test cricket. The victory was not due to one player or just a few individuals. It was a team performance and therefore all the more creditable to the victors. Each side had its share of bad luck, but the luck was more against England than Australia. Sutcliffe's injury was a distinct misfortune, but for the team to lose the services of the fast bowler when the Australians had nine of their wickets intact and a not too difficult task in front of them was even worse luck. While Bradman's fine effort gives to this player a great deal of credit for Australia's magnificent attempt to carry the game, the honours for England were distributed among a number of players. There were unexpected failures of course, but there usually are in Test matches. It seems quite likely that changes will be made in England's team for the next game which will probably provide an even more thrilling encounter than the one which has resulted in a victory for the holders of the mythical "Ashes". Australia's task is now rendered all the more difficult and England's easier by virtue of an initial success in the series which will give added confidence to the side. Apart from the old rivalry between England and Australia the seventeenth visit of the Australians possesses an added charm by reason of the new extension given to the time period. Four days are granted to each match and if neither side has gained an advantage at the end of the fourth encounter the fifth is to be played to a finish. The new scheme is not a concession to Australia, but an agreeable response to public feeling in England. These new rulings make for even more sporting matches and on the indications of the first Test the present series will not only add further keenness to the healthy rivalry between the two countries but will be productive of fine performances in England's greatest game.

DAY BY DAY.

BE TRUE TO YOUR ANCESTRY; BUT ALSO BE WORTHY OF POSTERITY.—
Rev. T. R. Williams.

A Chinese case of small-pox was notified yesterday.

Sentences of nine months' hard labour were imposed on each of two Chinese who appeared before Mr. Whyte Smith at the Kowloon Magistracy this morning on charges of returning from banishment.

For approaching within 30 yards of the President Johnson whilst she was flying the quarantine flag, the coxswain of a motor boat was fined \$10 at the Marine Court this morning before the Hon. Commr. G.F. Hole, R.N.

THE "TELEGRAPH" ART SUPPLEMENT.

To-morrow's Interesting
Pictures.

There will be a varied and interesting selection of pictures in to-morrow's issue of the *Telegraph* Art Supplement. Amongst these will be a batch of portraits of candidates who were successful in the recent Trinity College of Music examinations, more of which will appear in next week's issue.

An unusually interesting picture will be that of General Lui Woon-yim, Governor of Kwangsi, who was assassinated in Canton recently, together with the personal bodyguard who is said to have confessed to the crime.

Other illustrations will deal with the Race Meeting, lawn bowls and tennis matches, the opening of the Chinese Bathing Club premises, and a group taken in Swatow on the occasion of a presentation to Captain Pennefather on his retirement.

A young married woman was charged before Mr. Whyte Smith at the Kowloon Magistracy this morning with stealing six dollars from her mother-in-law. After pointing out to the defendant that she would be sent to gaol if she were caught stealing in future, his Worship registered a caution.

21 YEARS AGO.

SOME EXTRACTS FROM THE
"TELEGRAPH" FILES.

The following extracts are from the *Hongkong Telegraph* for the week ended June 20th, 1909.

The rate of the dollar on demand was 1.97/16d.

Mr. Murray Stewart was nominated to serve on the Legislative Council as a Justice of the Peace during the absence of Mr. (now Sir) H. E. Pollock.

The partnership between D. D. Nowrojee and I. P. Madar, as Messrs. Dorabjee and Co., was dissolved. The Company operated the King Edward Hotel.

During the absence of the Hon. Mr. F. H. May, Mr. A. M. Thomson was appointed to act as Colonial Secretary and Mr. C. McL. Messer as Colonial Treasurer.

BANISHEE STEALS CLOTHING.

SAYS IT WAS MOMENTARY
TEMPTATION.

A charge of larceny of eighteen articles of clothing from a house in Woosung Street, Yau-mat, was brought against a Chinese who appeared before Mr. Whyte Smith at the Kowloon Magistracy this morning.

It was intimated by Inspector Marks that the defendant had gone to the house and entered by an open door. He was found with the clothes in his possession and arrested.

On the production of the defendant's record it was seen that he had served a term of five years' banishment.

His Worship:—You are not making a good start on your return.

Defendant:—It was a moment's temptation.

His Worship:—Well it took a lot of premeditation to go into this house and look around first.

The defendant was given six months' hard labour.

DEATH OF MR. G. SHAW.

PASSES AWAY IN HOSPITAL
THIS MORNING.

Mr. George Shaw, for many years a familiar figure in the Colony, has passed away after a long spell of ill-health, to the great regret of his large circle of friends. His death took place at the Government Civil Hospital at 4.30 this morning.

It was in 1915 that the late Mr. Shaw came out to the Far East. After serving in a subordinate capacity for two years in the London office of the Chinese Maritime Customs, he was transferred to Shanghai, where he arrived in 1915. He joined up for service on the Western front, and after a time was gassed and returned to the Far East. For the next four years, Mr. Shaw was again with the Chinese Maritime Customs, being at Canton when he left the service to join the insurance department of Messrs. Cary & Co., Shanghai.

It is believed that his experience in being gassed during the War gravely injured his health. It was also thought to have caused his condition of acute tuberculosis. The fact that he had not long to live was not concealed from the patient, whose courage, however, did not waver under the shock of the knowledge.

"He always showed himself irrepressible in spirits," says a Police friend who, with many others in Hongkong, had come into happy contact with Mr. Shaw during the last three years when the latter had to come down here for treatment at the Government Civil Hospital. "He knew his case was hopeless, and yet you would not have thought so to judge from the cheerful and light-hearted way he carried on."

Mr. Shaw entered the Government Civil Hospital for regular treatment in September 9, 1927, when his case was instantly diagnosed as being incurable. Treatment was given to alleviate his condition, and, while waiting for the end, the patient visited the Hospital as often as was required. He was, on and off, a regular and familiar patient at the institution. His condition approached the critical stage last week, and the end came peacefully this morning.

The late Mr. Shaw was 35 years of age and unmarried. The funeral arrangements for which are in the hands of the British Legion and E.A.S.M.A. will take place at 4.30 this evening, at the Protestant Cemetery.

THREAT OF HIGHER FINES.

OFFENCE REAPPEARS AT
MARINE COURT.

"At one time these offences had practically disappeared from the morning reports with the result that I reduced the fine, but I have noticed that they have again become more frequent recently," remarked the Hon. Commr. G. F. Hole, R.N., at the Marine Court this morning when three masters and two mistresses of passenger boats were charged with lying inshore during prohibited hours.

"In future I shall increase the fine if I have any more of these cases before me," went on his Worship. "I fine each of you \$5 or five days."

"My remarks in the previous case also apply to this," said his Worship in another case in which the master of a trading junk was charged with anchoring in the Southern Fairway, thereby causing an obstruction. Defendant was fined \$5.

WATER LEVELS.

ON WEST, NORTH AND
EAST RIVERS.

The following table, issued by the Kwangtung River Conservancy Commission, shows in English feet the water levels on the West River, North River and East River, on the dates named:

	June 18	June 19
Shiuhing	16.4	11.9
Tsingyuen	11.4	—
Samshui	9.2	—
Sheklung	0.9	—
The highest levels on record are:—Shiuhing, 41 feet; Tsingyuen, 29.2 feet; Samshui, 27.3 feet; Sheklung, 15.5 feet.		
The lowest level on record at Samshui is minus 5 feet and at Sheklung minus 2.7 feet.		

MALTA CRISIS.

BRITISH ATTITUDE TO BE
DISCLOSED.

London, June 18.
Lord Strickland, Premier of Malta, continues his conversations with Lord Passfield, Colonial Secretary.

It is anticipated that the Government's attitude regarding the constitutional which has arisen in Malta will be announced shortly. —British Wireless.

The Very Idea!

Sergeant (drilling awkward squad): "Company! Attention, company, lift up your left leg and hold it straight out in front of you!"

One of the squad held up his right leg by mistake. This brought his righthand companion's left leg and his own right leg close together. The officer, seeing this, exclaimed, "And who is that fellow over there holding up both legs?"

I've missed a boat and shed no tears;
I've missed a train and given cheers;

I've missed the taxi first in line
Without exclaiming, "Woe is mine!"

I've missed a car, I've missed a bus,
And never made a bit of fuss;
But this to miss I deem deplorable,
One turn of a revolving door.

In the final examinations conducted in a Chicago high school, the following question was asked: "What is the essential thing about the earth from an agricultural standpoint?"

One answer read: "The essential thing about the earth from an agricultural standpoint is that it revolves on its axis, thereby providing for the rotation of crops."

"Is your mistress at home?"
"This is her afternoon out."

"Their home life is ideal."
"Is that so?"

"Yes. She goes abroad in the summer, and he goes to the Riviera all the winter. Perfect, isn't it?"

An artist who had shaved off his beard confided to a friend that his wife had left him.

"When she saw me without my beard," he explained, "she said: 'Now I know why I never liked you!'"

Friendly Lady (speaking to two little girls passing by her home): "Where are you going in such a hurry?"

One Little Girl: "To buy some candy."

Friendly Lady: "And what kind of candy are you going to buy?"

Same Little Girl: "Don't know. 'Taint my penny."

EXCHANGE RATES.

London, June 19.	
Paris	123.75
Brussels	34.825
Amsterdam	12.085
Berlin	22.65
Copenhagen	13.15
Vienna	34.435
Helsingfors	102.4
Oslo	108.25
Bucharest	318
Buenos Aires	41.4
Hongkong	1.73
New York	4.35 13/16
Geneva	25.005
Milan	92.75
Stockholm	18.00
Oslo	18.15
Prague	1.13
Madrid	41.15
Athens	375
Rio	5.17/32
Bombay	1/5 25/32
Yokohama	2/0 7/16
Silver (spot)	15.15/16
Silver (forward)	15.11/16

—British Wireless.

WHO WAS—

DANIEL DERONDA?

Daniel Deronda was George Eliot's conception of an ideal young man, though we of the modern world would indubitably have wanted to kick him, had we met him in the flesh.

You had only to look at him, according to his author's, to realise the nobility of man's stivings in the past, and his immortal destiny in the days to come, but we are not likely to acquire assurance from such a mis-eration.

Master Deronda was so exquisite a fellow, luxuriated in such a hyper-sensitive temperament, that he was fitted more for a "hot-house" than for the wind and rain of life. He shrank from the rough usages of the world, to an extent that was tantamount to a degree, and indeed the whole character bears the suggestion of an appalling effeminacy. All the women in George Eliot's novel (Daniel Deronda) bowed the knee to this idol, but actually the type is abhorrent to women.

Needless to say, so immaculate a hero was destined for startling heroisms, and little Daniel, accordingly, fished a Jewess out of the river, married her, and then discovered that he himself was a Jew.

This very virile race, however, will not have any great pleasure in claiming him.

THE PERILS OF BROOKLANDS.

JURY'S RIDER AT THE CRASH INQUEST.

NEED OF SUPERVISION.

The rules in regard to racing at Brooklands should be under stricter supervision.

This was the jury's rider at the inquest on the two victims of the crash during the Double Twelve hours' race.

Edward Allery, aged 28, a mechanic in one of the racing cars, of Surbiton, and Mr. F. R. Hurworth, of Ashford, Middlesex, a spectator, of two Talbot cars were in collision, one of them being flung among the spectators.

William Francis Allery said so far as he knew Friday was the first time his brother had been in a racing car in a race.

Mr. Frederick Hurworth, of Stroud, Gloucestershire, father of the spectator who was killed, said it was the first time his son had been to a motor race meeting.

Raymond Stewart Hebel, of Bedale, Yorks driver of Talbot 21, which was involved in the collision, said:

"I was coming down the finishing straight and I remember seeing No. 22 (the ill-fated car) practically level with the front of an Alfa Romeo car, which was about 25 feet in front of me.

"The next thing was that No. 22 seemed to swerve across to the off-side and my car hit it.

"I applied my brakes, and the next thing I saw was a telegraph pole seemingly coming towards me and it seemed to hit me in the face."

Crash at 103 M.P.H.

The Coroner: Were you able to form any opinion of the cause of the accident? There was a small car on my near side wall in the middle of the track. After that I cannot say. Talbot 22 was passing the small car.

His speed, Hebel added, would be about 103 miles an hour. The other Talbot, the Alfa Romeo would be doing the same, and the small car about 85.

The track surface was in the ordinary Brooklands state—it was rough.

Mr. Foreman: Do you consider a distance of about 25 feet behind a car at 103 miles an hour a safe distance?—If you want to keep your "slip" speed it is quite a good distance. I was not unsighted.

No. 22 "In Trouble."

Arthur Wingrave Fox, of Cobham, who entered the Talbot cars, said that drivers were thoroughly tested unless they had considerable previous experience.

He thought that No. 22 was going to be in trouble because of the small car (which he understood to be Austin 92) on its rear side. It did not look as if there would be room for No. 22 to get by, as it was opposite the Alfa Romeo. It suddenly swerved at right angles, and the collision occurred with the following Talbot car.

Questioned by counsel as to the track, witness said he heard a complaint about a hump on the spot where the accident occurred.

Have you seen any depression on the track?—There are depressions all over the track.

Captain Archibald Frazer-Nash, of Kingston Hill, who was driving Austin 92, said that he heard the screaming of a tyre behind him to the right. He glanced quickly over his shoulder and saw a lot of dust with one car apparently on end going over the fence. He agreed that one of the Talbots might have been in difficulties owing to his (witness's) place on the track.

He had put up time and again to their committee and stewards that this practice of hanging on should not be allowed. He considered it a very dangerous practice, but it was a universal one.

Mr. Kaye Don, of Sunbury, said he was about 150 yards from the accident. The Alfa was leading the front Talbot by about 25 feet, and the other Talbot was just behind. At the bridge the leading Talbot swerved and skidded and the near Talbot collided with it.

Drivers' Complaints.

Lord Howe (who drove in the race) said his attention was attracted to a group of cars coming up the straight, partly because they were all very much bunched together, and in his judgment too close for safety.

In his view it was dangerous to be close behind a car when it came to a place like this, where the leading driver had to brake.

In view of the many new-comers, merchants were asked to keep a look out.

The Coroner: Did you see any cases where that was not complied with?—I am afraid I did, and I believe complaints were made by drivers.

An inquiry was going to be held, and he thought arrangements must

CONSPIRACY CASE AT KOWLOON.

GIFFORD GETS A YEARS' IMPRISONMENT.

On the re-appearance of Douglas Gifford before Mr. Whyte Smith at the Kowloon Magistracy this morning a Chinese man and woman were also brought before the Court on a joint charge of conspiracy to obtain by false pretences a sum of \$180 from an Indian doctor at 11, Wong Chuk Street.

Gifford was in addition charged with larceny by bailee of a raincoat and a metal watch and chain belonging to the doctor in April last and of larceny by bailee of a raincoat, also the property of the doctor, in March.

The original charge of disorderly conduct which was brought against Gifford and a Chinese named Kang Wan-chiu, a teacher, was withdrawn by Detective Sergeant Fitches.

His Worship:—I rather think that this defendant (Kang Wan-chiu) is to be a witness in the other case? Is that right?

Detective Sergeant Fitches:—Yes, your Worship.

Gifford entered pleas of guilty to all three fresh charges while the two new defendants admitted that they had gone to the complainant's house but said it was Gifford who had done all the talking. They could not understand what he had said to the complainant.

Detective Sergeant Fitches intimated that Gifford had acted as interpreter as the complainant could not speak Chinese.

Gifford was sentenced to six months' hard labour on the first charge and a further three months' on each of the other two counts, he having two previous convictions. The second and third defendants were convicted of conspiracy and each fined \$50 or one month's hard labour in default.

EX-MARKER MAKES HIS MARK.

BUYS HOTEL IN TOWN WHERE HE BEGAN.

On billiard-marker to owner of one of the largest and oldest-established hotels in the Highlands.

That has been the wonderful career, in brief, of Mr. Frank Teven, who has just become the owner of the Caledonian Hotel, Inverness, and adjoining properties. The total purchase price was £18,500.

Over 40 years ago he was a billiard-marker at the Station Hotel, Inverness. In turn he became under "boots" and head "boots."

Twenty-eight years ago Mr. Steven was appointed manager of the Caledonian Hotel, which he now owns.

A previous owner of the Caledonian Hotel was formerly a "boots," and Mr. Steven's successor as chief "boots" in the Station Hotel became the proprietor of a large hotel in the Highlands.

For stealing letters from the Post Office where he was employed as cleaner, George William Mann, 33, was sent to prison for 15 months with hard labour at Norwich Quarter Sessions. He admitted having been stealing letters for 12 months, and said that he burned them in the furnace. Stolen letters on him when caught contained cheques to the aggregate value of over £100, and there were postal orders, notes, and stamps to the value of several pounds.

be made to keep spectators further back.

Railings No Protection.

Mr. Arthur Bradley, clerk of the course, said as far as he had heard there had been no breach of the regulations.

The Coroner (referring to the fence): Do you consider that reasonable protection was provided the spectators against injury?—Yes.

What afforded the protection?—The railings.

Do you consider they could withstand the impetus of a car weighing a ton and going at 80 miles an hour?—Nothing less than a fortification would have withstood an impact like that.

Kenneth Skinner, secretary of Brooklands Racing Club, said he resented the suggestion that, because the track was built in 1908 it was therefore not safe.

After an absence of a quarter of an hour, the foreman of the jury said:

"In the case of Allery we find a verdict of death by misadventure. We wish to represent to the club that the rules with regard to racing on the track should be under stricter supervision. In respect to Hurworth, it was accidental death."

The coroner said that he assumed that the authorities would take notice of the jury's rider, with a view to necessary action.

FOUR KILLED IN CAR CRASH.

COLLISION WITH A BUS NEAR NEWMILLERDAM.

PUSHED INTO A WALL.

Four persons lost their lives in a collision between a motor-car and a motor-bus on the main Wakefield, Barnsley and Sheffield road at Pledwick, near Newmillerdam.

Two passengers in the motor-car were killed on the spot, two died shortly afterwards, and two occupants of the car were seriously injured. The dead are:

Mrs. Beatrice Goodyear, aged 27, of Riley-road, Wath-on-Dearne; Her son Arthur, aged 3½;

Mr. Alfred Goodyear, aged 36, husband of Mrs. Goodyear;

His mother, Mrs. Susannah Goodyear, aged 67.

The injured are: Mrs. Rose Grafton, aged 28, of Riley-street, Wath-on-Dearne, and Miss Eva Barnfather, of Burman-road Wath-on-Dearne.

Tragic Shopping Trip.

The Goodyears, accompanied by friends, had been on a shopping expedition to Leeds, and were on their way home when the accident occurred.

The bus was proceeding to Wakefield when apparently it skidded on the road, which had been made greasy by rain. It crashed into the motor-car, which was travelling in the opposite direction, and pushed it into a wall.

A portion of the wall collapsed. All the occupants were thrown out. Four fell in the roadway, but two, the young mother and her son, were buried by heavy stone.

They were killed instantaneously, and it was some time before rescuers found them. The car was smashed to pieces, and the bus was damaged.

The road was blocked by the overturned bus and debris, and all main road traffic had to be diverted for hours.

William Bright, who was tramping from Leeds to Sheffield, had just passed the spot when the accident occurred. He went back to get assistance and used his scarf and belt to bandage the injured.

SECRET KEPT FOR 20 YEARS.

SENSITIVE WIFE AND A COVERED HAND.

A husband who knew there was something wrong with his wife's hand during all the 20 years of their married life, but never liked to ask her what was the matter for fear of hurting her feelings, gave evidence at a Maesteg inquest.

He was David David, a butcher, and he said that his wife, Annie, who had died, was very reserved and sensitive. She kept her hand covered with mittens.

She became ill but refused to see a doctor. Eventually she became so ill that he insisted on fetching one.

Dr. Wilfred Jewitt said that the woman's hand and arm were badly ulcerated, and some of her fingers were missing.

Death was caused by general blood poisoning resulting from insufficient treatment of her septic arm.

The jury returned a verdict accordingly, and said the husband unintentionally neglected his duty in not calling a doctor before.

LAUNCH COXSWIN FINED.

NO SCREENS TO NAVIGATION LIGHTS.

Kwok Mun, the coxswain of steam-launch Kwong Yat, appeared at the Marine Court this morning before the Hon. Commr. G. F. Hole, in answer to a summons for failing to provide screens for his port and starboard lights. Defendant pleaded guilty.

Describing it as a very serious offence, his Worship pointed out to defendant that the lights he had on might have misled other craft in the vicinity and his offence might have proved dangerous. It was sheer carelessness and his Worship could not but take a serious view of the matter.

Defendant was fined \$50, with the alternative of six weeks' hard labour.

TROUSERS THEFT.

C.S.O. MESSENGERS AT VARIANCE.

The theft of a pair of serge trousers by one messenger in the Colonial Secretariat from another taxed the patience of the Magistrate (Mr. Lindsell) who was given this morning, contradictory explanations by the parties.

The defendant, a young boy of 17, stated that he was unable to collect a debt from a foki, who hinted that he would have to fight for it. The proposition was out of the question, as the latter was of a better physique. "In the alternative," defendant explained, "I took his trousers and pawned it in satisfaction of the debt."

The owner of the trousers declared that the debt claim was a fictitious one, while the police also stated that they heard a different story from the defendant when he was first taken into custody.

The two charges preferred against the defendant were theft and illegally pawning the article, and on these he was remanded for 24 hours, the Magistrate remarking that that would give him time to think the matter over and warning him that he would be sent to gaol if he persisted in his lies.

QUEEN'S THEATRE.

STAGE LIFE PORTRAYED IN "BIG TIME."

"Big Time," the current feature at the Queen's Theatre is an all talking film of the increasingly prevalent backstage type and constitutes amusement fare of good average quality.

The story deals with dancing partners who marry but who are forced to split up in their act. They eventually separate and come together again in Hollywood where the wife has become a leading lady and to which place the down and out husband travels on a freight train. Lee Tracy is responsible for much witty dialogue and carried the firm along by himself.

An attractive item on the programme is a short feature film of Madame Kurencio who sings "The Shadow Song" and "Song of India." The news reel includes some interesting pictures of the Byrd Expedition and of the Lincolnshire Handicap at Home.



The boy who used to watch the games through a knot hole now reads the box score.

EERIE GIFT OF WOMAN SEER.

CLAIM TO BE ABLE TO DETECT CRIME.

PSYCHOMETRY.

A strange, tall woman in the early 30's, given to storms of laughter, rambling in speech, beautifully dressed, short-haired, with strangely-fascinating eyes, a great hatred of superstitious old ladies and a frank turn of phrase almost shocking at times.

That is Frau Lottie Plaat. She went to London from her home in Oldenberg, where she lives with her two children, to exhibit to psychologists her eerie gifts, whereby she has at will, and by holding a relevant object in her hands.

Lived back in the times of the Carthaginian Empire. Detected murderers by holding their coats.

Found lost dogs.

Rediscovered old masters. Heard voices that whistle words in English of the lives of dead medieval characters while she holds their bones.

Seated in a little chair in her bedroom, her silk-stockinged legs neatly crossed beneath her short, black dress as she fingered a photograph, she said to me (writes a Daily Chronicle representative).

"Ah, yes; I can see all inside you—right through."

"I can see you just—What is it in English? Ah! Just as though you had no clothes on. Funny, isn't it?"

"Indeed!" I murmured, buttoning up my coat.

"Yes, I can often see anyone like that, and the insides of their brains working, too."

"I feel their pains, too. I am at a tea party, and I say to a lady when I see inside her, 'You poor thing, you have had your appendix cut. I feel your pain myself, too.'"

I asked her to give instances of the power she claims. Ha, Ha, Ha! But she put a pencil in my hand and said 'You try.' I laughed, but I suddenly started telling her all about the owner of the pencil.

"Oh, what am I doing," I said. "That was how I started."

Frau Plaat states that she is regularly employed by German police to detect and interrogate prisoners in their cells.

These are two of her criminological exploits, as told to the Daily Chronicle.

A German nobleman brought her a coat. Holding it she cried that it was the coat of a murdered man, and that she was seeing the murderer drive a blunt instrument into the victim's chest and throw him in the water.

She described the man as having a front tooth missing and a tattooed arm. By this means the guilty man was caught, and a confession was elicited by Frau Plaat in his cell.

On another occasion she confronted a murderer with an exact description, gained psychically, of how she strangled her sister-in-law.

Reading from a Ring.

Passages from her reading of the signet ring of Mr. Harry Price read as follows:

"This is a man... can be terribly rude, absolutely awful... but... oh, such a child. If you take the right way you women could do what you like with him."

"He can say 'damn' quite nicely. He has nice eyes, I like his eyes; he has beautiful eyes, his eyes are soft.... He does not sit on his money like the Dutch. Does he live near the hills in the country (Mr. Price lives at Pulborough, Sussex, near the South Downs.)... Now I see his body."

"I shall look forward to visiting some of your English antiquities," said Frau Plaat. "But I cannot go into the Egyptian room of the British Museum. When I went there last time I was almost forced back by voices shouting at me 'Stolen! Stolen! Stolen!'"

Mr. Harry Price, president of the National Laboratory of Psychological Research, told a reporter that Frau Plaat comes of a highly-placed family, and that her object in coming to England is to "lend herself to science."

One of the most deadly aerial weapons yet devised—an especially fast torpedo seaplane—has been bought by the Swedish Government. It is the combined product of the German aircraft firm of Heinkel, and the British Armstrong Siddeley Aero Engine factory at Coventry. This new torpedo seaplane has a 700 h.p. Armstrong Siddeley engine, and can carry a torpedo weighing over a ton. Flying at a height so great that it is practically invisible, the machine can swoop down at a speed approaching 200 m.p.h. towards an enemy ship, launch its torpedo, and rise again almost vertically out of range of the ship's guns.

POWELLS

10, Ice House Street.

One of the Smartest selections of Neckwear that has ever entered our Store, has just been received, also a large assortment with Handkerchiefs to match.

They are made in Foulard, Moroccan, and Macclesfield Silks in many choice designs.

Bow Ties - - from \$2.00
Long " - - " \$2.75

Less 10% Discount for Cash.

£120 AND £112

FROM

ORIENT TO EUROPE

VIA

AMERICA

A PRESIDENT LINER TO VICTORIA-SEATTLE
OR TO SAN FRANCISCO LOS ANGELES

ANY AMERICAN RAIL LINE FROM WEST COAST
TO NEW YORK

YOUR CHOICE OF ANY ATLANTIC LINER
TO EUROPE

DOLLAR STEAMSHIP LINES
AMERICAN MAIL LINE

NUGGET Boot Polish



"Good morning, Miss Shoe, you look positively charming."
"A personal reflection, I assure you, Mr. Nugget."

A.P.B.

MARVELLOUS RECORDING ACHIEVEMENTS

Columbia
New Process RECORDS

NEW QUESN'S HALL ORCHESTRA

9309-10-11-12—Peer Gynt Suite
9513-14-15 —Unfinished Symphony
9559-60 —Midsummer Night's Dream

The Anderson Music Co., Ltd.

MOST UP-TO-DATE APPLIANCES

PERMANENT WAVING

HIGHLY SKILLED OPERATORS

TESTER BEAUTY PARLOUR.

Side Entrance ... Ground Floor.
Men's Dept.—Open till 7 p.m. and on Sunday mornings.

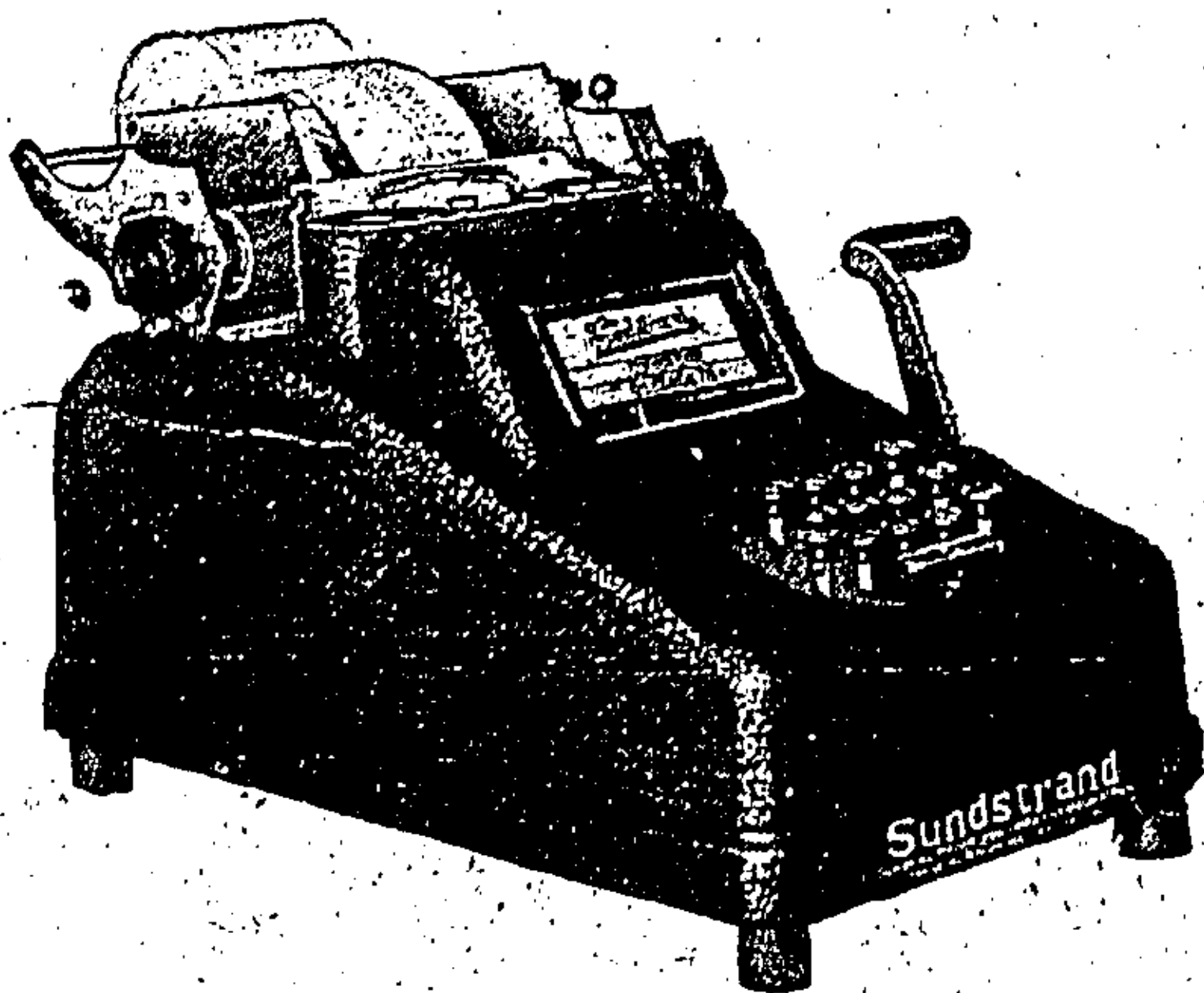
KAYAMALLY BUILDING. Telephone 22103.



DON
has stood the
TEST

Everybody's Favourite.
Try a bottle TO-DAY.
On Sale Everywhere.

SUNDSTRAND ADDING AND FIGURING MACHINES.



Fast, Simple, Durable and
Accurate.

Sole Agents:

DODWELL & Co., Ltd.

WELCOME TO NEW GOVERNOR.

PRESIDES OVER COUNCIL FOR FIRST TIME.

REPLY TO QUESTIONS.

When His Excellency, Sir William Peel, K.B.E., C.M.G., took his Presidential seat in the Legislative Council yesterday afternoon for the first time since his arrival, the Hon. Sir Shouson Chow, on behalf of the Unofficial members, extended a welcome to His Excellency, saying he could rest assured of their whole-hearted support.

New Members.

The Officer Commanding the Troops (Colonel W. D. S. Brownrigg, D.S.O.), the Attorney General (Hon. Mr. C. G. Alabaster, Q.B.E.), Hon. Mr. J. J. Paterson, Hon. Mr. A. F. B. Silva-Netto and Hon. Mr. Paul Lauder took the oath of allegiance and their seats as members of the Council.

A Welcome.

Hon. Sir Shou-sun Chow, Sir, —As this is the first occasion on which you have presided over this Council, I take leave on behalf of my Unofficial colleagues, to tender to Your Excellency our respectful welcome and assurance of our loyal and whole-hearted support in all matters conducive to the best interests of the Colony.

We wish your Excellency good health so as to enable you to discharge the arduous and responsible duties of your high office to the advantage of the whole community. (Applause).

H. E.'s Reply.

H. E. The Governor, Sir Shouson Chow and Hon. Members, I thank you very sincerely for the warm welcome you have given me through the medium of your Senior Unofficial Member. Had a meeting of this Council been called within a few days of my arrival in the Colony, I should have said that although a stranger to Hongkong I did not come before you entirely as a stranger.

I had the pleasure of meeting Mr. Southern a year or two ago during his visit to Malaya. I travelled out nearly 32 1/2 years ago with Mr. Hallifax on our great adventure to the Far East, and I have had the opportunity of discussing labour matters as affecting Chinese labour in Malaya since that date. Mr. Messer and I, together faced the stern examiners of Mathematical Tripos 34 years ago at Cambridge, whilst Dr. Wallington and I have been associated over a period of 20 years in health and other matters.

Among Old Friends.

As, however, it has been unnecessary to call a meeting of this Council until to-day, I now feel that I come among you as among old friends. I have had the pleasure of meeting you all and feel we are now well acquainted.

Before I left London the Colonial Office handed me copies of certain proceedings of this Council. I was struck by the simple and businesslike tone, which pervades those proceedings. I admit that I missed the quite friendly ferocity which sometimes characterised the attacks on the Government by the unofficial members of the Federal Council of the Federated Malay States. I sense here, as there, the underlying good relations which existed between the Unofficial Members and the Government.

Happy Relations.

Differences of opinion must, of course, happen at times, and I assure you I will always do my best to find solutions, and in my efforts I know that I shall have the support of you all. If, as perhaps the inevitable must happen, it is impossible to reconcile our differences, I feel sure that that fact will in no way impair the happy relations which have existed and do exist between what may be called the Government and the Opposition.

Questions Answered.

Following are questions asked by the Hon. Mr. Kotewall, together with answers given by the Hon. Colonial Secretary.

Q.—Will the Government give the following information concerning Juvenile Offenders in respect of the year 1929:

The number of boys and the number of girls, both under the age of 16 years (European reckoning), who were brought before the Magistrates?

A.—Boys 985; girls 137.
Q.—The respective numbers of such boys and girls who were convicted, with a classification showing—

(1) the number sent to prison;
(2) the number of previous convictions;
(3) whether the convictions were for felony or for other offences;
(4) in the latter case, the number of convictions under the Hawkers Regulations.

A.—(1) Boys, 131; (2) 172; (3) and (4) felonies 268, hawking 377 and other offences 340.
Girls, (1) 5; (2) 5; (3) and (4) felonies 7; hawking 73 and other offences 57.

Q.—The number of boys on whom the punishment of whipping was inflicted by order of the Magistrates, showing the number who received such punishment more than once during the period with a classification showing the type of offences for which the punishment was inflicted.

A.—433 whippings were inflicted on boys of which 177 were for felonies, 125 for hawking and 131 for other offences. There is no record of how many boys received this punishment more than once.

Q.—(a) Whether or not children under the age of 16 years (European reckoning), while being detained at the Police Court or at the Gaol or in the precincts thereof awaiting trial, are so detained in company with adults who are charged with an offence, and who are not the relatives of such children.

(b) Whether or not such children, on being tried by a Magistrate, are placed in the dock with adult defendants who are not charged jointly with such children.

A.—(a) and (b) yes, except in cases where bail has been found, when the juveniles charged are not detained and, when brought before the magistrate, are not placed in the dock.

Adjustment Of Accounts.

The Hon. Colonial Secretary proposed the following three resolutions.

"That with reference to the Colonial Secretary's motion of 2nd May, 1929, this Council approves the expenditure during 1929 of a further sum of \$41,188.32 on the Aberdeen Water Scheme, this sum to be charged as an advance from the surplus balances of the funds of the Colony pending the raising of a further loan."

"That with reference to the Colonial Secretary's motion passed on 23rd September, 1929, this Council approves the expenditure of a further sum of \$613,922.73 from loan funds on the Shing Mun Valley Scheme during the year 1930."

"That with reference to the Colonial Secretary's motion passed on 23rd September, 1929, this Council authorises the further sum of \$3,041.68, to be charged to the Public Works (1927) Loan for the construction of the Kai Tak Aerodrome and further approves the expenditure of this sum during the year 1929."

Sanction Required.

He said:—
Sir,—The three motions standing in my name are of a more or less formal character. The three works referred to have all received the approval of the Council but it is necessary to obtain formal sanction of the Legislature for the exact allocation of the funds. With the permission of this Council I should like to speak on all three motions now as they are essentially similar in character.
As regards the Aberdeen Water Scheme—the Council voted a sum of \$556,000 for the expenditure of 1929, and \$1,000,000 for expenditure in 1930. Actually the work proceeded a little faster than was expected and the amount required for expenditure of 1929 is \$596,188.32.
A vote for the excess of \$41,188.32 is asked for.

Shing Mun Scheme.

With regard to the second motion on the Shing Mun Valley Scheme, work proceeded more slowly than was expected. Consequently the vote for 1929 more than covered the expenditure, but the vote for 1930 requires adjustment. The Council voted for 1930, \$95,849.39 from Loan Funds, and \$79,150.61 from Surplus Balances, but owing to the slower progress of the work we have \$709,772.12 available on loan funds instead of only \$95,849.39, and it will be unnecessary to call on our Surplus Balances until the loan funds are exhausted. The Government is therefore asking the Council to approve of the expenditure of the further sum of \$613,922.73 from loan funds during 1930, this being the difference between the \$95,849.39 voted and the \$709,772.12 available. A sum has already been voted from Surplus Balances for the estimated expenditure beyond that covered by Loan Funds.

Aerodrome Development.

The third motion deals with the Aerodrome, and is due to a small saving on the Harbour works. The Harbour Development and the Aerodrome were connected works, the dredged material being used as filling for the Aerodrome and \$1,500,000 was allocated from the loan for the combined works. When the vote was taken last year the amounts respectively allocated from loan funds were \$419,771.26 for Harbour Development and \$1,080,228.74 for Kai Tak Aerodrome. The Harbour work was, however, completed for \$416,729.68, leaving a balance of \$3,041.58 available for the Aerodrome. The resolution I am about to move asks for your sanction to transfer this amount to the credit of Aerodrome Funds

LAWN BOWLS.

TEAMS FOR SATURDAY.

The following members have been selected to play for the Kowloon Dock Recreation Club in the First Bowls League versus the Gai-gong-wai Cricket Club on Saturday:—
F. Cullen (Skip), W. Greig, A. M. Calman, C. Atkinson,
R. Lapsley (Skip), W. Hedley, E. Docherty, H. G. Cooper,
F. C. Goodman (Skip), J. McKelvie, G. Henderson, J. V. Ramsay.

Yacht Club v Talkoo.

The following have been selected to represent the Royal Hongkong Yacht Club on Saturday, against the Talkoo R.C.:—
E. S. Abraham, L. S. Greenhill, E. W. Carpenter and A. I. Shields (skip).
A. Stevenson, S. Deacon, P. W. Ramsay, and A. MacFarlane (skip).
E. B. Reed, A. T. Hamilton, B. E. Maughan, and S. Chapman (skip).

Electric R.C. Team.

The following will represent the Hongkong Electric R.C. against the Kowloon Bowling Green Club tomorrow:—
T. P. Saunders, G. E. F. Faggett, D. S. Hill, W. H. B. Musket (skip), W. Stoker, H. S. Jones, F. F. Duckworth, H. Hatch (skip);
A. Tarbuck, E. Thompson, S. J. Clarke, L. de Rome (skip). Reserves.—R. W. Smith, V. G. Kerley.

CINEMA NOTES.

DOUGLAS GILMORE LIVES THROUGH WHOLE PICTURE.

At last Douglas Gilmore appears in a picture in which he does not find it necessary to be murdered. He has been killed in so many screen dramas, that dying a violent death, to him, seems a matter of regular routine. Gilmore enacts the role of Kane Pittcain, a jealous and scheming lover in "A Song of Kentucky," Fox Movietone comedy drama featuring Joe Wagstaff and Lois Moran. This all talking and singing production is the current attraction at the Queen's Theatre on Sunday.

One of the big scenes in the picture is the running of the Kentucky Derby. The race was photographed by Lewis Seiler and his assistants at the historic Churchill Downs last May.

The cast, aside from Wagstaff, Miss Moran and Gilmore, embraces Dorothy Burgess, Hedda Hopper, Edward Davis and Herman Bing.

and your approval of its expenditure in 1929.

The resolutions were adopted.

Adieu To Mr. Southern.
At the conclusion, the Hon. Sir Shouson Chow said:—Before we retire, may I ask your permission to say a few words? As this is the last meeting of this Council at which the Hon. Colonial Secretary will be present, before he goes on a long leave which he has so well earned after four years' arduous work, not only as Colonial Secretary but as the Officer Administering the Government, I would like to take this opportunity, on behalf of my Unofficial colleagues and myself, of wishing him and Mrs. Southern a pleasant voyage and a restful vacation (Applause).

Hon. Colonial Secretary:—Thank you all very much, Sir Shouson.

THE LAWN TENNIS LEAGUE.

I.R.C. BEAT C.R.C. IN MIXED DOUBLES.

In the Mixed Doubles League, the Chinese Recreation Club entertained the I.R.C. at Causeway Bay yesterday afternoon, and lost by the odd set in nine after an exciting match.

It is generally thought that the result of this match may go a long way to decide the destination of the shield this year.

The scores were:
M. K. Lo and Miss G. Lo (C.R.C.) lost to C.A.L. Rumjahn and Mrs. McCaw 0-6; lost to H. D. Rumjahn and Mrs. Gull 4-6; beat S. A. Rumjahn and Miss R. Rumjahn 6-4.

Ho Ka-lau and Mrs. Chiu (C.R.C.) beat C.A.L. Rumjahn and Mrs. McCaw 6-3; lost to H. D. Rumjahn and Mrs. Gull 2-6; lost to S. A. Rumjahn and Miss R. Rumjahn 5-7.

M. W. Lo and Miss E. Lo (C.R.C.) lost to C.A.L. Rumjahn and Mrs. McCaw 6-8; beat H. D. Rumjahn and Mrs. Gull 6-1; beat S. A. Rumjahn and Miss R. Rumjahn 6-3.

I.R.C. Take Nine Sets From Club Recrelo.

At the Club de Recrelo, the I.R.C. yesterday proved vastly superior to the home team in a "27" division match, and took all nine sets. Scores: A. A. Rumjahn and J. S. Curreen (I.R.C.) beat F. Remedios and H. Barros 6-1; beat A. V. Remedios and H. A. Noronha 6-4; beat C. A. Barretto and A. Gosano 6-2.

A. H. Rumjahn and S. A. Hussain beat F. Remedios and H. Barros 6-2; beat A. V. Remedios and H. A. Noronha 6-1; beat C. A. Barretto and A. Gosano 7-5.

A. Madar and S. A. Ismail beat F. Remedios and H. Barros 6-4; beat A. V. Remedios and H. A. Noronha 6-4; beat C. A. Barretto and A. Gosano 10-8.

FANLING GOLF.

FOR SUNDAY.

9.20 a.m.—L. R. Andrews and I. H. Goare
9.24 a.m.—W. C. Shields and C. Mycock
9.28 a.m.—A. C. I. Bowker and D. Forbes
9.32 a.m.—L. Yates and G. S. Ellams
9.36 a.m.—A. G. Coppin and H. C. Shrubsole
9.40 a.m.—C. Eager and A. D. Humphreys
9.44 a.m.—A. Ritchie and W. J. Clerk
9.48 a.m.—J. R. Collis and J. R. Hinton
9.52 a.m.—C. C. Stark and A. Sommerfeldt
9.56 a.m.—A. F. Judd and C. Terdre
10.00 a.m.—A. Leach and Capt. Weir.

"Although I am matron, I have had to scrub floors and cook dinners," said Miss Wrangling, of the Edmonton Day Nursery, who, with her staff, numbering five, have resigned.—Other allegations are—Delay in granting uniform allowances.

Having to look after residents' children, although when appointed they were not told they had to do so.

Refusal by district council to allow a holiday after completion of 12 months' service.

The Edmonton Council has a large Labour majority, and the matron is the daughter of a Labour councillor for Tottenham.

AMAZING LIFE OF EX-CLERGYMAN.

GAOL FOR FORMER DEAN SAILOR; AIRMAN.

WORLD TRAVELS.

Known to thousands of people he met as metropolitan secretary to the Church Army during the nine years he held that office, Henry F. Mercer, who stood in the dock in his clerical dress, was sentenced to six months' hard labour at Southport.

He was convicted of obtaining credit by fraud, and consideration of other offences was taken into consideration when sentence was passed.

Few people have had a more remarkable career than Mercer. Mr. Compton Carr, who represented him, said that he was educated at Christ's College, Cambridge, and at Highbury.

Ordained in 1895, he held three curacies in the East-end of London, and then became metropolitan secretary to the Church Army.

In 1905 he became vicar of Hawthorne, Melbourne, and in 1912 was appointed to the Deanery of Perth, Western Australia. He accepted this office for five years.

Offering his services when war broke out, he was an Army Chaplain for two years, and then joined the combatant forces.

First he was a Lieutenant in the Royal Naval Volunteer Reserve, and then became a Captain in the R.A.F. until 1919.

Out to India.

His next activity was in India, where he carried on educational work from 1920 to 1924.

He was licensed to officiate in the Northern Diocese of Europe in 1927, but in that year his downfall began.

After being convicted at Zurich on a charge of fraud, said Mr. Carr, he had found it difficult to obtain a livelihood.

Since his release from prison, it was stated, he had lived at Brighton, and was alleged to have left owing £80.

Similar offences were alleged at Penzance, London, Barrow and Windermere, and he was said to have tried to victimise clergymen who had been at college with him.

Cheque Fraud.

The offence he was sentenced for was a fraud on the British Legion.

He went to the club room of the Legion, said the Chief Constable, and said to the steward, "My name is Mercer. I am in difficulties as my brother has not sent me my things on. Can you lend me my fare to Manchester? I will repay you to-morrow."

The next day he went and borrowed another five shillings and made out a cheque on blank paper, which was returned marked "No account."

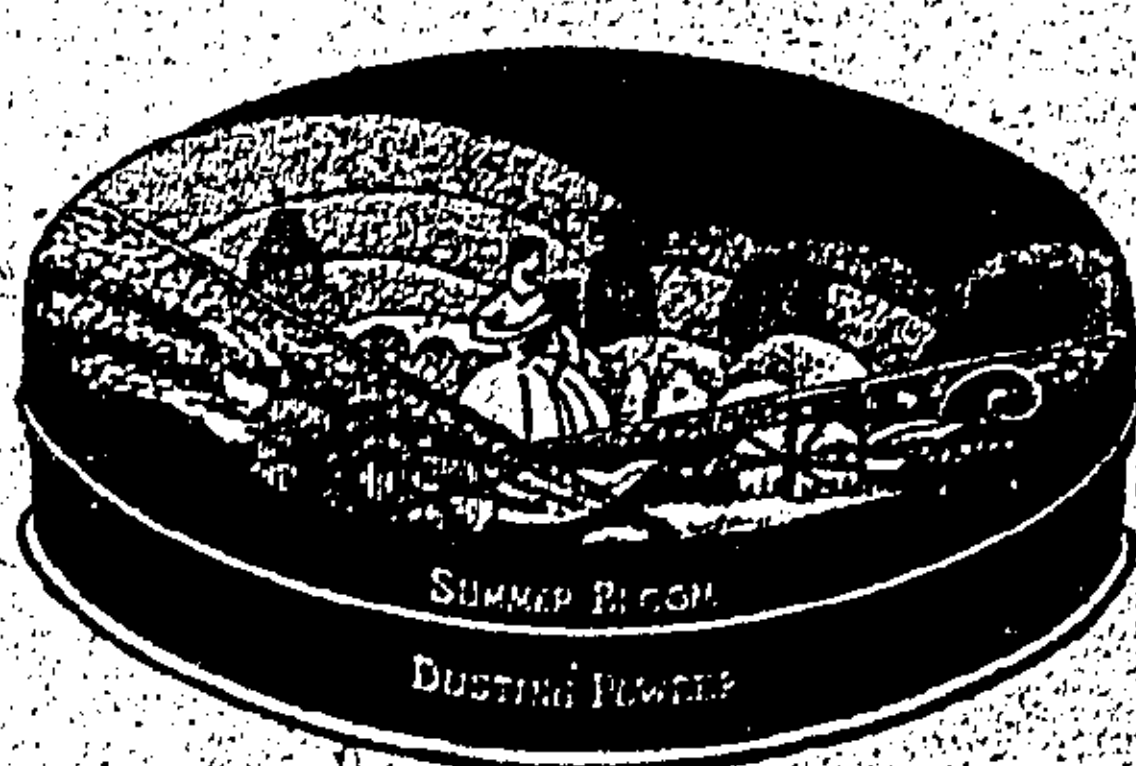
It was also stated that he had stayed at a house with a woman, who produced a card bearing the name Arthurton Mercer, and an address at Bedford-square, Brighton, saying "That is our home address." They stayed two days, and left owing £2.



ERASMIC

SUMMER BLOOM DUSTING POWDER

Will keep you cool through the most trying heat. Used after the bath it is delightfully soothing, imparts to the skin a lovely touch of even silky beauty—and it perfumes—with a lasting lingering fragrance, a token of elegance, and refinement.



All Chemists Stock
Erasmic Toilet
Specialities

SALARIES' REPORT
APPROVED.

(Continued from Page 6.)

might justifiably be raised, it is sufficient admission of the justice of the Commission's recommendations generally. The ordinary man in the street has not had the same opportunity of examining the relative duties and responsibilities of Government officers generally, as had the members of the Salaries Commission. Once, therefore, it has been admitted that there is justice in raising the salary of a number of Government officers, I think we are justified in accepting the general rise recommended by a Commission who has carefully examined and compared the duties of all officers.

As regards the officers on dollar salaries, I think there can be very little reasonable opposition raised to the proposed increases. In their case, the fall in the dollar has operated even more strongly than in the case of sterling paid officers, and I am of the opinion, therefore, that the recommendations put forward by the Commission should be adopted.

Government's Duty.

I gather that there is a feeling that the raising by Government of the salaries, more especially of its dollar paid employees, will have the effect of raising the salaries of the employees of firms and other undertakings. Whether this will prove the case remains to be seen, but in any event I maintain that it is incumbent on Government in particular to pay its employees an equitable salary and not be rigidly bound to what is usually called the market rate.

To turn to the other aspect, namely, whether the present is a suitable time for giving effect to these proposals, I would point out that the Salaries Commission was appointed as far back as October, 1928, and I gather from the Colonial Secretary's speech that the unofficial members of this Council were then of opinion that some amelioration was justified in view of the fall in the dollar. It must, therefore, be inferred that, even as long ago as that, there was a feeling that the existing rates of salary were inadequate. If that be proved, as in my opinion it has been, then it might be urged that the new rates should have come into force not later than the 1st January, 1929. It is proposed to give effect to them only from the 1st January last.

Mere Act of Justice.

If we accept, as I maintain we must, the recommendations of the Salaries Commission as being just, then I consider that the payment of the new rates becomes a mere act of justice: it is in fact a debt which this Government must of necessity discharge unless it is shown that it is absolutely impossible for it to find the money. The payment of adequate salaries to Government officers for services rendered is just as much a legitimate debt as the payment to a contractor for services performed. If it had been possible to submit the report of the Salaries Commission to the Secretary of State earlier, it is probable that the new rates would have been brought into force as from the 1st January, 1929. If that had been done, I can hardly imagine that a request would have been made to Government to pay its officers at a reduced rate when the dollar dropped below a certain figure. In short, once the recommendations of the Commission are accepted as fair and reasonable, I consider that this Government is bound in honour to give effect to them.

Low Taxation.

I have given long and careful consideration to the question of how funds are to be provided to meet this increased liability. The Colonial Secretary has set out the position as regards taxation very fairly, and I think that it must be admitted that the total of direct and indirect taxation in Hongkong is very low, and that in normal times rates and other forms of taxation might well be raised without there being any reasonable ground for complaint. I appreciate, however, that just at the moment it is undesirable to increase a form of taxation which may send up the necessary minimum cost of living. Before, therefore, officially considering the question of raising the assessment rate, which might well be deemed likely to increase rents all round, I considered and discussed with my advisers other sources. The question of imposing a petrol tax and an amusement tax had already been more or less accepted, though it will not be possible to get the machinery ready for the collection of the latter this year. Postal rates are much below what I might call the imperial rates, especially with the dollar at anything like the figure that it stands at to-day. An increase in these rates is more than justified. The imposition of a tax of fifteen cents a gallon on petrol will not be heavy. I believe I am right in saying that it will average little more than 1/2 cent a mile in the case of private cars, and 1/4 cent a mile in the case of buses which carry a number of passengers. I and my advisers considered the question of revising the duty on spirits and tobacco, but we came to the conclusion that it

would be better not to alter the former, at any rate for the present. We were of the opinion, however, that the duty on tobacco, which comes under the heading of a luxury tax, might well be raised without causing any undue hardship. The rates have, as you know, been raised as from a week ago today.

Making up Deficit.

These increases, while going a long way in a year to meeting the extra expenditure involved by the adoption of the Salaries Commission's proposals, will not meet such cost this year, inasmuch as they will only be in force for the second half of the year. I have, however, already stated that I consider that these increased rates of salary are a debt due by the Government to their officers, which might have been discharged earlier, and I think, therefore, that it is only reasonable to make up the remaining deficit this year out of our available balances, which to-day stand at a very favourable figure of over ten millions.

By the adoption of the aforesaid additions to taxation, we have been enabled to defer any increase in the assessment rate. I must, however, confirm what the Honourable Colonial Secretary has already stated, that it may be taken as certain that it will be necessary to increase those rates in connexion with the 1931 estimates, having due regard to the needs of the Colony generally.

I strongly deprecate the suggestion, which is on the face of it somewhat misleading, that such increases of taxation are merely introduced in order to pay Government officers a higher rate of salary. The payment of fair and adequate salaries to his employees is one of the first commitments of an employer, for a contented and adequate staff is an essential part of any undertaking. I consider that it therefore comes before, at all events many other services and must be met either by economy in other directions or by an increase in revenue. In view of the light incidence of taxation in this Colony, I do not consider it necessary or justifiable to reduce other services, and it is necessary, therefore, to increase our revenue, in order to enable us to carry out various services, including payment of salaries. That is the policy we are adopting.

Retrenchment Accepted.

While, however, Government is unable to support the resolution proposed by the honourable representative of the Chamber of Commerce, I may say at once that I am prepared to accept his second resolution regarding the appointment of a retrenchment committee. Although my short experience here hardly justifies me in giving any definite opinion on the point, I cannot avoid the feeling that we are somewhat overloaded in the matter of personnel, and that further there is room for retrenchment in other directions. I propose, therefore, to appoint such a committee, at once, and earnestly hope that, as a result of its investigations, it may be possible to effect material economies.

Commissioners Abstain.

Hon. Mr. J. Owen Hughes.—I take it, Sir, that my honourable friends the Senior Unofficial Member and Mr. Paul Lauder, in view of the fact that they were members of the Commission, will not record their votes on this amendment.

H. E. the Governor.—I think that is a matter which must be left entirely to the honourable members concerned.

Hon. Sir Shou-sun Chow.—Sir, As a member of the Salaries Commission I beg permission to be allowed to abstain from voting on the three resolutions appearing on to-day's agenda which concerns the Salaries Commission report.

Hon. Mr. Paul Lauder.—As a member of the Salaries Commission I associate myself with the Hon. Senior Chinese member and I also beg permission to be allowed to abstain from voting on the three resolutions appearing on the agenda which concern the Salaries Commission report.

The amendment was then put to the meeting and was declared lost.

The Voting.

A division was called for, and the votes were recorded as follows:

For the Amendment:—Hon. Mr. J. Owen Hughes, Hon. Mr. C. G. S. Mackie, Hon. Mr. R. H. Kotewall, Hon. Mr. S. W. Tso, Hon. Mr. J. J. Patterson, Hon. Mr. A. F. B. Silva-Netto.

Against:—Officer Commanding the Troops, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, the Director of Public Works, the Captain Superintendent of Police, the Harbour Master, the Director of Medical and Sanitary Services, His Excellency the Governor.

The amendment was, therefore, lost by ten votes to six.

H. E. the Governor.—I understand the Hon. Mr. Kotewall now desires to move an amendment.

CHINESE VIEWS.

A Protest Against New Taxation.

HON. MR. R. H. KOTEWALL.

Hon. Mr. R. H. Kotewall.—Sir, I beg now to move, as an amendment, the following resolution: "That the recommendations of the Salaries Commission as modified by the Government be not accepted, and that, as an alternative, the temporary High Cost of Living Allowance approved by the Finance Committee on the 10th April, 1930, be continued until this Council shall otherwise decide; and a similar allowance equivalent to Ten per cent. of their salaries be granted to the dollar-paid employees of the Civil Service of Hongkong with effect from the 1st January, 1930."

I submit this amendment with a due sense of responsibility and with considerable diffidence, realising to the full the eminence and competence of the three gentlemen who composed the Salaries Commission, who spared no pains to bring out an exhaustive report of permanent value, which entailed months of heavy labour; and also the necessity for an unbiased mind in approaching a subject which affects, as in this case, the opposing interests of the Civil Service and of the public. My diffidence is the greater because while, on the one hand, I do not consider the recommendations of the Commission with certain modifications, altogether unreasonable, I am, on the other hand, opposed to the Government resolution for reasons I will adduce. My view in regard to the findings of the Commission is evidently shared by the Chinese General Chamber of Commerce, for in reply to a letter from the Honourable the Colonial Secretary inviting an expression of their views, they stated that they had no observations or representations to make on the Commission's report; and in a subsequent communication to the same quarter they expressed only the opinion that, generally speaking, local employees were less generously treated by the Commission than their sterling-paid colleagues.

Employers not Consulted.

If it be asked why, holding the view I do, I have, through the Hon. Mr. Shenton, signified to the Government my support to the motion for the appointment of a Committee to enquire into the recommendations of the Salaries Commission, my answer is that I did so because, according to the honourable member representing the Hongkong General Chamber of Commerce, the Commissioners admitted that they had not deemed it necessary to consult outside employers, and had confined their investigations mainly to Government servants without due regard to the relation of their salaries to those paid outside the Service. This being the case, I considered that in a matter of such importance to the Colony, involving as it would the raising of a large sum of money by fresh taxation, the public would be better satisfied if the recommendations of the Commission were carefully reviewed by a Committee which included representatives of the large employers of labour, who had not an opportunity of expressing their views before the Commission arrived at its conclusion.

Before deciding upon the amendment which I have just moved, I had gone into the subject with great care, and had obtained from the Honourable the Colonial Secretary such figures and information as would assist my investigations. I would like here to express my thanks to the Hon. Mr. E. R. Hallifax for the facility he thus afforded me. The conclusion I have reached is that if the financial condition of the Colony warranted it without entailing fresh taxation, and without drawing upon our surplus balances, I would support the recommendations of the Commission, with the exception of the additional 15 per cent. increase to the sterling-salaried officers, and the extended rent allowance to dollar-salaried officers.

Chance of Prosperity.

In this matter of Government salaries generally, I find myself in disagreement with those who contend that the pay of Government servants compares favourably with that of men in private employ, having regard to certain advantages which the former enjoy, such as pensions, free passages, free quarters or allowance in lieu thereof, and security of tenure. It is difficult, particularly in the higher ranks, to compare the two kinds of occupations. It must be remembered that while Government servants enjoy the privileges mentioned, they are precluded by Colonial Regulations from engaging in business of whatever nature, and even from investing in certain stocks in the Colony. Security of tenure cannot compensate for the chance of prosperity by which the income of the head of a large firm, who corresponds more or less to the head of a Government department,

can easily exceed that of the Governor of the Colony. Business men also, though they do not generally get pensions, receive the benefit of the now almost universal Provident Fund as well as free quarters in many cases. I am in no way supporting the cause of the Government, as my amendment proves; but I have thought it but fair to express my personal view on the subject—a view based on a fairly long experience both as a Civil servant and as a business man. At any rate, I have no hesitation in saying that both those at the apex of the Government Service and those at the base are inadequately paid. Perhaps between these two extremes there are some whose salaries could bear reductions; but, speaking generally, I think that the pay of Government servants is not excessive, though their number may be reduced; and were the financial position of the Colony sounder or more hopeful, I would not be loth to support a proposal to make a permanent improvement in their salaries.

Public Resents Taxation.

However, the financial position of the Colony by no means justifies any substantial increase in expenditure of this nature. At no time during the last three decades, except during the short period of the Strike and Boycott of 1925-6, has business in the Colony reached so low an ebb as it has reached to-day. Certainly, never in the history of the Colony has exchange fallen so low. The public is in such a state of mind that it resents any proposal to impose fresh taxation in order to improve the pay of Civil servants.

If we take into account, as we should, an additional \$300,000 payable as military contribution to the Imperial Government on the revenue raised for this purpose, since the Secretary of State for the Colonies has not acceded to the request of Sir Cecil Clementi to waive this contribution, the total amount involved directly or indirectly by the present proposal of the Government would therefore be about \$2,000,000. Already opposition has arisen from all sides. The Kowloon Residents Association has raised its voice of protest in no uncertain way; the Hongkong and Kowloon Property Owners Association and the Chinese General Chamber of Commerce have uttered their disapproval through my Chinese colleagues; and myself, and I hear that a "Kaifong" meeting has been suggested for the purpose of registering the protest of the whole Chinese community against any increase in the Assessment Tax, or Rates, which is bound to come before long if the Government motion is carried. For my part I have no objection to the revenue being raised by taxing luxuries so as to enable the Colony to carry on its administration.

\$2,000,000 Involved.

The Government is now asking the Council to vote the large sum of \$1,628,917 to implement the recommendations of the Salaries Commission this year. This sum is increased to nearly \$2,000,000, if we take into consideration, as we should, the \$377,000 approved by the Finance Committee on the 10th April, 1930, as a temporary High Cost of Living Allowance to sterling-paid employees. A further \$400,000 has yet to be taken into account, since the Secretary of State for the Colonies has not acceded to the request of Sir Cecil Clementi to waive the Military Contribution of 20 per cent. on the revenue raised for this purpose. The total amount involved, directly or indirectly by the present proposal of the Government would therefore be about \$2,000,000. Even the latter figure is likely to be considerably exceeded, since, according to the Hon. Colonial Secretary, in his speech just delivered, the sum of \$1,628,917, which we are now asked to vote, was based on the assumption that the average rate of exchange for the year would be 1/6. The actual rate would certainly be lower, and consequently the actual amount required would exceed the present estimate.

In addition to this large figure a considerable sum of money has to be found to meet the substantial difference between the rate on which the Estimates for 1930 were framed, namely 1/10d, and the present rate, which is round about 1/3d, in the existing sterling commitments of the Government.

Colony Cannot Bear it.

Now, with its trade at a decline owing to a combination of circumstances, and with so many other and more urgent demands on its revenue which must be increased to meet them, can the Colony bear the proposed additional expenditure necessitating special taxation and drawing upon our surplus balances. I believe that the Colony cannot bear it. The public also believes that the Colony cannot bear it. Unlike a private business, a Government need not cut its coat according to its cloth, but should find the right length of cloth to fit its coat. To this principle I agree, with this reservation: where there is little

cloth to be found, even a Government must be content with a short coat. Since the Salaries Commission made its Report, the cloth has shrunk. It was on the rate of 2/- that the Commission based its recommendations, but unfortunately they did not anticipate any substantial decline in the rate, as is evidenced in paragraph 7 of their report. Even Sir Cecil Clementi, in paragraph 6 of his despatch to the Secretary of State for the Colonies at as recent a date as the 22nd January, 1930, said that though by that time the dollar had fallen as low as 1/6½d and had only slightly recovered, he did not anticipate that it would fall as low as 1/6d, or that it would remain at its level of that time—1/7d. In paragraph 9 of the same despatch Sir Cecil Clementi again said that he hardly believed the dollar "would remain at its almost unprecedented depreciation."

From this it would seem that had the Commissioners been able to visualise the present rate of 1/3d with all its serious consequences, their recommendations would in all probability have taken a different form. It seems equally probable that had Sir Cecil Clementi been confronted with this rate, he would have modified his recommendations. The Estimates for 1930 were framed on a 1/10d dollar, and it was stated at that time (and eventually reported to the Secretary of State) that, calculated at that rate, the cost of the recommendations of the Salaries Commission would involve an additional expenditure of only \$1,300,000. Since then the dollar has taken a headlong plunge, upsetting all calculations; and the fall has had a most detrimental effect on business and trade. The whole position is changed; the Colony is to-day unable to pay even the original estimate of \$1,300,000, not to say \$2,400,000.

H. C. L. Allowance.

Taking everything into consideration, and viewing the matter impartially, I think that the situation would be met by continuing the temporary High Cost of Living Allowance approved by the Finance Committee on the 10th April, 1930, and granting a similar allowance equivalent to 10 per cent. of their salaries to the dollar-paid employees with effect, as in the case of their sterling-paid colleagues, from the 1st January, 1930. I should like to point out that this temporary allowance was approved by the Finance Committee on the understanding that no further expenditure was to be incurred after the end of this month without reference to the Finance Committee.

The additional expenditure involved by this allowance to the sterling-paid employees for the current year has been estimated at \$377,000; and the proposed 10 per cent. allowance to the dollar-paid employees would amount to approximately \$390,000—the total additional expenditure on the two items being about \$770,000.

It may be asked why I advocate an allowance of 10 per cent. to the dollar-paid employees while the allowance already granted to their sterling-paid colleagues is equivalent to only 6 per cent. My reason, as stated in the letter written on the 15th May, 1930, by the Chinese unofficial members of this Council to the Honourable the Colonial Secretary, is that in addition to this temporary allowance approved in April last, Government servants paid on a sterling basis have had, since the general revision of salaries in 1919-20, the advantage of improved emoluments resulting from a change in the method of converting sterling salaries into dollars; and, since July 1928, the advantage of compensation for the fall of the dollar below 2/6d.

In suggesting this percentage for the dollar-paid men, my Chinese colleagues and I have fully taken into consideration the fact that the concessions granted to the sterling-paid men were granted not only on account of the increase in the cost of living, but also because they have to remit money home for the support of their families and dependents, and for the education of their children. But in spite of that consideration we think, for the reasons I have given, that this percentage is but fair and reasonable.

Though this High Cost of Living Allowance is to be a temporary relief on account of the fall in exchange, for one, would not lightly withdraw it. I should prefer to see it disappear with the rise of the dollar.

Future Uncertain.

From the trend of my remarks I trust that you, Sir, have not failed to draw the inference that my Chinese colleagues and I are not lacking in sympathy for the Civil servants; we only wish we could support the Government resolution. But we cannot conscientiously do so in the circumstances. The unprecedented decline in the value of the dollar has created a feeling of great anxiety on all sides. The present is troubled; the future is uncertain. To choose this time to levy new taxes in order to increase Civil Service salaries which, after all, by no means "starvation wages," to add impatiently a new burden to

an already distressed community, is surely an ill-considered action. The Chinese community whom I have the honour to represent, and who constitute 95 per cent. of the taxpayers of the Colony, have raised their voice in strong protest against fresh taxation for any purpose because of the reaction it will have on cost of living. The public as a whole feel that to raise taxes for the purpose in view is to penalise for the benefit of Government servants who are living under the same economic conditions as they themselves.

This, Sir, is, I think, an effective answer to the Government contention that the general increase of salaries to its servants should no longer be withheld as a debt of honour. I sympathise with the feeling of the public and I support their protest.

I sympathise with this feeling, and support their protest, not only for the reasons they have given, but also for another and equally cogent reason. It is that if the Government resolution were carried, and if the assessment tax were not increased during the current year, the probability is that the Government would draw upon the surplus balances of the Colony to meet this special expenditure. Indeed, the words in the resolution before us—"charged upon" the revenue and other funds of the Colony"—point to this course being contemplated. It seems scarcely necessary to point out that to encroach upon the Colony's by no means large liquid surplus balances for the purpose of paying increased salaries to Government employees is wrong. It is the more to be deprecated in these hard times when every dollar of this surplus should be reserved for meeting the numerous items of extraordinary expenditure now clamouring for urgent attention.

Your Excellency, you have expressed the view that the incidence of taxation is light. The Hon. Colonial Secretary has also expressed the same opinion, after making a comparison with taxation in certain Colonies he named. Granting that such is the case, I submit that here again any additional revenue which Government can safely raise by taxation in these times, would be required to meet the extraordinary expenditure I have mentioned. I therefore with all earnestness, express the hope that Your Excellency will withdraw the original motion, and accept in its stead my amendment which, while affording some relief to the Civil servants, will not have the detrimental effects on the Colony which the adoption of the resolution at this juncture will undoubtedly have.

HON. MR. SILVA-NETTO.

Says Public Opposition Should Not Be Ignored.

AGGRAVATING DEPRESSION.

Hon. Mr. A. F. B. Silva-Netto.—Your Excellency, I beg to second the amendment. The Hon. Dr. Kotewall has covered the ground so ably in his eloquent speech that there is very little left for me to say in support of the amendment. I would like, with your permission, Sir, to make a few observations on the Report of the Salaries Commission and stress a few points of argument advanced by the mover.

The Report of the Salaries Commission which is the result of several months of tedious and laborious work, deserves the highest commendation, but with all due deference to the Honourable Members of the Commission I would venture to submit an expression of opinion that the liberal recommendations were made apparently without due regard to the financial conditions of the Colony. In this connexion, I think it would be fair for me to mention that the Commission was appointed to consider four points only, briefly summarised as follows:—The adequacy of the salary scale of officers, the currency basis, the principles on which acting pay and allowances should be granted, and the provision of Government quarters and allowances for rent.

Fluctuating Dollar.

Under Paragraph 12, the Commissioners recommended that all Sterling salaries should be increased by 15 per cent. and should be paid to them when on duty at Hongkong in dollars at an average rate of the Hongkong and Shanghai Bank reckoned from the 15th of the preceding month to the 15th of the month for which payment is to be made, provided that such average demand rate is 2/- or less than 2/- but if the average rate be more than 2/- then the salaries shall be paid in Hongkong currency at 2/- on the 17th of this month the rate for Demand Draft was 1/2 15/16, say 1/3, at which rate (if it happened to be the average fixed rate) \$1 will be equal to \$16, whereas at the so-called privilege rate of 2/-, \$1 will be equal to \$10, a difference of 60%. This recommendation does not seem to reconcile with the recognised policy of the Government that it is undesirable that the number of dollars drawn

locally by Government employees on Sterling salaries should fluctuate with the value of the dollar etc., as mentioned in paragraph 6 of the Report.

Under paragraph 14, the honourable Commissioners declared that they were faced with difficulty in arriving at a figure which would actually represent the increased cost of living and I am pleased to note that, after careful consideration, they came to the conclusion that a 20% increase on dollar salaries would be fair to this class of officer. I may say that since the Report was made the rate of exchange had receded more than 15% with a corresponding increase in the high cost of living. I think a higher percentage of increase would be more equitable, if the funds of the Colony would permit it.

Colony Cannot Afford It.

I do not think the ratepayers would grudge the increments as recommended by the Salaries Commission in return for the highly efficient services rendered by the Government employees if the Colony could only afford it. With all due deference, I would say that the increases recommended appear to be equitable although the kind hand of generosity was stretched a little too far in some instances.

The most glaring fact is that by computing the Sterling salaries at 1/6 there would be a sum of \$2,541,548 over the amount voted for 1930 and with the lower rate of exchange prevailing this figure would be augmented considerably. Since the Report was published rapid changes have taken place and the rate of exchange has declined considerably in sympathy with the value of Silver to an unprecedented level. The whole matter hinges on the rate of exchange. About 60% of the salaries is in Sterling and paid in equivalent of Gold and the revenue is collected in depreciated silver, which makes a great deal of difference.

The temporary high Cost of Living allowance, approved by the Finance Committee on the 10th April, 1930, appeared to have conveyed a wrong impression, as evidenced by the remarks made by the honourable members at that meeting. It was certainly a misnomer. It could have been termed Exchange fluctuation allowance or any other suitable term, as I believe in calling a spade a spade.

Currency Reform.

Unless some sort of currency reform is advocated and established, this unfortunate state of affairs will continue to exist to the detriment of trade and the Colony. So long as civil wars continue to exist in China, which is still without a stable Government, pessimism will prevail and the waning power of the Nanking Government will further affect the situation.

Like the majority of the residents of this Colony all Government employees in receipt of dollar salaries are experiencing great hardships. The purchasing power of the dollar is considerably reduced in consequence of the low rate of exchange and I have therefore much pleasure in recommending that the temporary allowance as specified in the amendment be granted to the dollar paid employees and that the temporary High Cost of Living allowance approved by the Finance Committee on the 10th April, 1930, be continued until this Council shall otherwise decide.

Plain broad facts coupled with the sound arguments adduced by the Hon. Dr. Kotewall are sufficiently illuminating to convince the honourable members of the inability of this Colony to comply with the recommendations of the Salaries Commission as modified by the Government, without recourse to loans, further taxation, or some other means of revenue. By accepting such recommendations the Government will be compelled to provide the necessary funds. It is evidently the intention of the Government to increase the Assessment tax sooner or later for such purpose.

Economy Wanted.

There are other potential sources of revenue that may be tapped which may not directly affect the public in general but it would be out of place to suggest any such measures at present. The time is not opportune for indulging in debts or any increased form of taxation but to study ways and means to enforce rigid economy. Increase in expenditure especially in personal emoluments were unfavourably commented upon last year by the Hon. unofficial members, who had already foreshadowed with some degree of apprehension the necessity of having to resort to additional taxation. The Colony has gone through several periods of vicissitude and business depression and it is to be deprecated that the ratepayers should be asked to be saddled with heavier assessment tax, which if approved, is bound to bring in its wake, increased rent, enhanced prices of all commodities and demand for higher wages thus aggravating the heavy pressure already exerted on the economic machinery of the Colony.

(Continued on Page 12.)

SALARIES' REPORT
APPROVED.

(Continued from Page 11.)

Public Opposition.

The views expressed from time to time by several correspondents in the columns of the Press should not be perused with bland indifference and the leading articles of the Press which represent the trend of public opinion should not be ignored.

The Kowloon Residents Association, which has always taken a keen interest in all matters of public interest connected with the Peninsula, has, with the usual commendable zeal that characterises the work of that useful association, forwarded its report and submissions to the Government expressing its opinion that it would be unfair to increase taxation to provide for cost of increased salaries.

I must therefore emphasize the fact that there is a very strong current of opposition by the public in general to any contemplated increase in assessment tax to provide funds for increase of salaries. With these few remarks I have much pleasure to second the amendment.

HON. MR. TSO'S WARNING.

Colony in Precarious Financial Position.

A DANGEROUS SITUATION.

Hon. Mr. S. W. Tso.—Sir, In supporting the Hon. Dr. Kotewall's amendment I desire to express, at the outset, my high appreciation of the valuable work done by the members of the Salaries Commission. Had it not been for the unprecedented fall in the sterling value of silver, which neither the Commissioners nor any one else in the Colony could foresee, their recommendations, which were calculated at a 2/- dollar basis, might, with some modifications, be adopted without having to resort to additional taxation.

But since the report was made the value of silver has dropped in an alarming manner which has the effect of not only changing the whole aspect of the Salaries recommendations but also of putting the economic condition of the Colony into a precarious position. Thus we are faced with a situation fraught with dangerous consequences. Trade has been bad on account of interecine strife in China which is our market and the unprecedented fall in the exchange value of silver has made it worse. Capital has become unproductive for want of trade and is being dissipated by high cost of living. Under such circumstances can we ask the public to bear the burden of further taxation? The answer of the public in all quarters is emphatically "No."

Much Larger Sum.

The Government in its motion now asks the Council to approve that a sum of \$1,628,917 be charged upon the Revenue and other funds already provided in the Estimates for 1930 for the purpose of carrying into effect as from the 1st of January 1930, the recommendations of the Salaries Commission, as modified by the proposed resolution. This large sum of \$1,628,917, I understand, the estimated actual amount required for payment of additional salaries, but in point of fact I feel sure that, what with the payment of Military contribution and other commitments, a much larger sum will have to be raised from taxation in order to meet payment of these additional salaries.

The Hon. Dr. Kotewall has, in his speech, fully set out the various representations sent to us by the Chinese Community against further taxation and I need not dwell on them here further. But any further taxation, except possibly on luxuries, has the effect of increasing the cost of living and the poorer classes will be the greatest sufferers. Some people seem to think that the drop in the exchange value of silver does not affect the dollar-paid men. But I can assure you, Sir, that their cost of living has been much increased in consequence.

Adoption Inopportune.

To adopt the recommendation of the Salaries Commission now, even in modified form, is inopportune. In view of the present depression in trade and the necessity of increasing taxation.

Personally, I am not against the increase of salaries of Civil servants. On the contrary, I am on principle in favour of men being well paid for their services whether they be Civil Servants or otherwise. I do not agree with the idea that Civil Servants should be placed in the matter of pay on the same category as non-civil servants or vice versa. The reason for such view is already explained by the Hon. Dr. Kotewall in his speech with which I concur. But I do earnestly hope that for the reasons above stated the Government will withdraw its motion in favour of the amendment which

has the effect of tiding over a trying situation for the time being and of being fair to both the sterling-paid men and the dollar-paid men and will reintroduce the motion in a more opportune season. For these reasons I have pleasure in supporting the amendment.

Hon. Mr. J. Owen Hughes.—In view of the fact that the amendment I had the honour of proposing has been lost and, bearing in mind the very generous manner in which the Chinese members of this Council supported us in our endeavours, I think it is due to them that under the circumstances we should now support them in the view that they take on dollar salaries. We do so, if I may be allowed so to express it, on the ground that half a loaf is better than no bread at all and certainly it is only fair after the support they have given us that we should assist them as a last resort.

GOVT'S CASE RESTATED.

Cannot Accept Second Amendment.

QUESTION OF FAIRNESS.

The Colonial Secretary.—When I was listening to the speech of my honourable friend, the second Chinese member, I almost felt he was one of my supporters and not as one who was proposing an amendment. I really must thank him for the very fair way in which he spoke of the salaries which have been suggested by the Salaries Commission. In fact until he had got quite a long way through his speech I felt that he was supporting me all through for he pointed out that both at the apex and at the bottom the salaries of Government servants were inadequate. The sting of his speech came, however, as stings have a habit of doing, in the tail and I gather from his address that while he is really fully in favour of all the increases recommended by the Salaries Commission he is not in favour of putting them fully into force at the present time. Well, Sir, I dealt, I hope adequately, with this very point in my opening remarks and you, Sir, also dealt very adequately with it in your remarks in reply to the Hon. Mr. Owen Hughes' amendment. The Government does not agree with the Hon. Dr. Kotewall that the Colony cannot afford to pay the increases recommended and consequently I have your authority, Sir, for saying that the Government cannot see its way to accept the motion of my honourable friend. I have stated very fully the Government's reasons for going on with the Salaries scheme at the present time, and I need only refer to what I have said with reference to this particular motion, viz., that in the opinion of the Government it is not fair either to the sterling or the dollar paid officers.

The old sterling salaries were based on certain substantive salaries paid at \$12 to the pound coupled with a sliding scale of exchange compensation. The scale originally went down to 2/6d. then to 1/9d. and later on to 1/6d. The lower limits were fixed from time to time because no one foresaw the depths to which the dollar would fall; but there is no logical reason for fixing the limit at 1/6d. and no fairness to the officers in so doing. The limit destroys the balance of the scheme and, as I pointed out before, leaves some officers with less dollars than their substantive salary would entitle them to if converted at the current rate of exchange without any exchange compensation whatever.

To the dollar salaried officers the proposal seems even more unfair. My honourable friend admitted that the recommendations of the Commission were not unreasonable. I too pointed out that the Salaries Commission considered an increase of 20% to be necessary with the dollar at 2/-. It must be regarded as even more necessary with the dollar at 1/3d. to 1/4d. for there must be very few indeed even of our dollar paid officers who have not suffered from the increased cost of living. The Government therefore considers it would be very unfair to put off the dollar paid officers with a grant of only half of the very reasonable recommendations proposed by the Salaries Commission. The chief burden of my honourable friend's remarks was that the Colony could not afford these increased emoluments. I say that the Colony can afford it as has been adequately shown by the figures I quoted on the subject of taxation in the course of the earlier part of the afternoon. I therefore, Sir, have to inform honourable members that the Government is not able to accept the honourable member's amendment.

Honest Conviction.

Hon. Mr. R. H. Kotewall.—In the first place I should just like to touch upon a rather humorous remark made by the Colonial Secretary when he said that he was almost persuaded to believe that I was going to support the

substantive motion. That remark of his shows, I think, how carefully and without prejudice I approached this matter. I tried to approach each aspect of the question with an open mind and I arrived at my conclusion with honest conviction. When the Colonial Secretary said that the sting was in the tail, I suppose he only indulged in a metaphor. I did not intend and do not intend any sting. I only hope there is no sting anywhere in this matter. The Colonial Secretary very kindly said that I had expressed the opinion that I agreed with all the increases recommended by the Commission. Yes, with this little modification, that the recommendations should be approved in better days with two exclusions mentioned by the Hon. Colonial Secretary.

The Colonial Secretary also said that my amendment was neither fair to the dollar man nor to the sterling man, and he proceeded to give reasons why the amendment was not fair to the sterling man in particular. If, Sir, there is any difference of opinion in the interpretation of a former decision, my interpretation is shared by all my Unofficial colleagues, otherwise they would not have agreed to extending the exchange down to 1s. 6d. and no further. We are agreed in this matter but I do not admit the Unofficials are wrong.

The Colonial Secretary has also advanced arguments to show that the Colony can afford the new expenditure proposed. In my opening speech I advanced arguments to refute that statement and I think my arguments were sufficiently cogent to persuade at least the Unofficial members and the public that they were not only strong but reasonable. With these remarks, Sir, I leave the fate of my amendment to the fairness of this Council.

Amendment Lost.

On being put to the meeting, the amendment was lost.

A division was called for and the votes were recorded as follows: For the Amendment.—Hon. Mr. J. Owen Hughes, Hon. Mr. C. G. Mackie, Hon. Mr. R. H. Kotewall, Hon. Mr. S. W. Tso, Hon. Mr. J. J. Patterson, Hon. Mr. A. F. B. Silva-Netto.

Against.—The Officer Commanding the Troops, the Colonial Secretary, the Attorney General, the Secretary for Chinese Affairs, the Colonial Treasurer, the Director of Public Works, the Captain Superintendent of Police, the Harbour Master, the Director of Medical and Sanitary Services, His Excellency the Governor.

The amendment was lost by ten votes to six.

The original resolution was then put to the meeting and was carried by ten votes to six.

RETRENCHMENT.

Government Departments Said to be Overstaffed.

INQUIRY TO BE MADE.

Hon. Mr. J. Owen Hughes said:—I have now to move the motion standing in my name: "That it is desirable, in the interests of this Colony, that His Excellency the President of this Council, be invited to appoint a Committee to be called a 'Retrenchment Committee' for the purpose of advising the Government, where, and the manner in which, economy in expenditure can, and should be made, in the personnel and administration of this Colony."

I would like to express the great gratification of the Unofficial members that you are in favour of the motion. There are many reasons for bringing it forward and we appreciate your attitude very much. During my stay at Home last year, I observed in one of our local papers that there is one civil servant to every 77 to 111 people in this Colony, the population being variously estimated at between 700,000 and one million. I admit not being able to say whether those figures (if correct) are justified, but undoubtedly there is a very general belief that many of our Government departments are overstaffed.

This Retrenchment Committee should make careful enquiry not only with regard to the number engaged in different departments, but also into the routine followed, and to find out whether or not, by the adoption of other and more modern methods of working, a reduction in the number employed could not be effected without loss of efficiency.

Service Overstaffed.

Hon. Mr. R. H. Kotewall.—Although Your Excellency has already signified your intention to accept the resolution, nevertheless I think the matter is of such public interest for me to make the remarks I intended to make. I beg to second the motion. I need not enter into elaborate figures to prove that it is necessary. According to Sessional Paper No. 3 of 1929 relative to the Salaries Commission, the total amount payable in salaries on a sterling and dollar basis, together with the High Cost of Living Allowances extended down to the rate of exchange of 1/6d., is \$9,308,496 this year. The adoption of the motion that has just

been carried would bring this sum up to roughly \$11,000,000. To this have to be added other allowances scattered all over the Estimates. It is safe to say, then, that Personal Emoluments alone consume at least \$11,000,000 per annum, which is more than half the estimated current revenue for 1930, as given in paragraph 9 of Sir Cecil Clementi's despatch of the 22nd January, 1930, to the Secretary of State for the Colonies.

Now, the public believes, as I do, that the Government Service is over-staffed, and that there is room for economy. It seems to me that retrenchment could best be effected in the direction of reduction of personnel rather than reduction of salary, and also by a reorganisation and redistribution of work. In my view, the Colony is not putting its splendid native material to a sufficient use. With proper training, many Chinese, Portuguese and Indians would be found suitable for positions now occupied by Europeans. I think that the Honourable the Colonial Secretary can hear me out that Ceylon has gone far towards this end without any appreciable loss of efficiency.

I do not advocate reduction of salaries attached to the posts now occupied by Europeans if non-Europeans are placed in them: I believe in equality of treatment, provided that the native can offer equal efficiency. But there can be no doubt that substantial savings could be effected in exchange compensation, long-leave pay and free passages, by the employment of non-Europeans in the place of Europeans.

I could adduce further arguments in support of the motion, but since I understand that Your Excellency is prepared to accept it, I prefer to leave the details to be worked out by the Committee. I have pleasure in seconding the motion.

Government Accepts.

The Colonial Secretary.—The Government, Sir, accepts the motion of the honourable member and will be pleased to appoint a Retrenchment Committee on the lines suggested. In view of the fact that the Government is accepting this motion I do not propose to attempt any reply to the arguments of the mover and seconder although there is a good deal which might be said in reply, particularly to the remarks of my friend, Dr. Kotewall. The names of the members of the Committee and the exact terms of reference will be announced later. Departments will be instructed to afford every possible facility to the Committee and if the Committee can suggest any practicable scheme whereby the cost of administration can be reduced without loss of efficiency, no-one will be better pleased than the Government.

The resolution was passed.

TOBACCO TAXATION.

Treasurer on Financial Position of Colony.

NO REASON FOR ALARM.

The Colonial Secretary.—Sir, I rise to move the resolution standing in my name to increase the duties on tobacco. Of the need for an increase in our revenue honourable members are no doubt well aware from what has been said at an earlier stage of our proceedings. It is important that our current expenditure should be met from our current revenue and unfortunately owing to the drop in the dollar our current expenditure, a large portion of which is in sterling, will cost us more dollars than we had anticipated when the Budget for 1930 was prepared; and to this increase must be added the cost of the Salaries Scheme which is itself increased by the depreciation of the dollar.

In introducing the Salaries Scheme I mentioned certain proposals for the raising of additional revenue. The first of these to be put into force in the increase of the tobacco duties, and I do not think anyone will raise any serious objection to the proposed increases. Tobacco though almost universally used must still be regarded as in the nature of a luxury. The tax will fall only on those using tobacco in the Colony. It will not affect the manufacture of cigars or cigarettes in the Colony as these will either be manufactured in bond or will be entitled to draw back on export. The rates of draw-back have been adjusted to suit the new duties. The revised estimate of revenue from tobacco at the old rates is \$2,200,000. In a full year the increase of the duties should bring in a further \$700,000 but owing to the stocks of duty paid tobacco existing when the revised duties were introduced the Government does not expect to derive more than about \$300,000 additional revenue from this source during 1930. I now move the following resolution:

"Resolved that the duties on tobacco set forth in section 6 of the Tobacco Ordinance, 1916, Ordinance No. 10 of 1916, be altered and that, subject to the provisions of sub-section (3) of the said section, the duty payable (i) upon all tobacco imported into the Colony after the coming into operation of this resolution, and

(ii) upon all dutiable tobacco already in the Colony at the coming into operation of this resolution, shall be as follows—per pound weight.

A.—On unmanufactured tobacco:

- (1) If unstripped:
 - (a) containing 10 pounds or more of moisture per 100 pounds weight thereof ... 75 cents.
 - (b) containing less than 10 pounds of moisture per 100 pounds weight thereof ... 84 cents.
- (2) If stripped:
 - (a) containing 10 pounds or more of moisture per 100 pounds weight thereof ... 90 cents.
 - (b) containing less than 10 pounds of moisture per 100 pounds weight thereof ... \$1.00.

B.—On manufactured tobacco:

- (1) Cigars ... \$2.00.
- (2) Cigarettes ... \$1.00.
- (3) Other manufactured tobacco, including snuff and cigar cuttings ... \$1.00.

Financial Position.

Hon. Mr. C. McI Messer.—Your Excellency, in seconding the resolution, I would like to say a few words regarding the present financial position of the Colony.

The financial result of 1929 was as follows:

The revenue was budgeted at \$22,278,600 and expenditure at \$24,799,650, leaving a deficit of \$2,521,050. The actual revenue was, however, \$23,554,475, being \$1,276,875 more than the estimate. The actual expenditure was \$21,983,267 being less than the estimated expenditure by \$2,816,393. The net result of the year's work was, therefore, an excess of \$1,571,218 in revenue over expenditure, bringing the balance of assets over liabilities to \$9,662,852.

At the commencement of the year we had \$492,000 liquid assets with the Crown Agents and \$2,144,000 held locally.

For 1930, the estimates were based on a 1/10 dollar for all services except sterling salaries which were based on a 1/3 dollar, and the estimates showed a deficit of \$4,555,595.

The revenue up to the present, however, is \$776,030 in excess of the proportionate amount due, and previous experience leads one to expect that under normal circumstances the expenditure would be considerably below the estimated figure, thus considerably reducing the estimated deficit. As already stated, the expenditure in 1929 was nearly three millions below the estimate. The provision of money to meet the increase of salaries, as recommended by the Salaries Commission, is, however, a new factor, and it is proposed to introduce fresh taxation, including that which is the subject of the present resolution. The fresh taxation will, it is anticipated yield this year a net sum of \$428,000.

To Draw on Reserves.

The fall in the dollar occurred early in the year, and every endeavour has been made to meet the altered circumstances by curtailment expenditure where possible, quite apart from any savings which may occur owing to our inability to spend all the provision. Some services, however, as for instance sterling pensions, interest and sinking fund on the Consolidation Loan, and passages, have to be paid for in sterling and do not admit of reduction. It is difficult to say at the moment exactly what additional expenditure will be necessitated owing to the fall in the dollar, but it will be necessary to draw to some extent on our reserves, most of which are in sterling. The amount involved, however, should give no reason for alarm. Our reserves stand at present at a substantial figure, and will be ample to meet any deficit on this year's working and to pay for loan works carried out both this year and next, the cost of which will be repaid out of a future loan, which will be issued when the time is ripe. It will, however, be necessary to balance our current expenditure and current revenue for 1931, apart from expenditure on legitimate loan works, which can be paid for eventually out of the proposed loan.

The resolution was carried.

Tax on Petrol.

The Attorney General moved the first reading of a Bill intitled "An Ordinance to provide for the taxation of Light Hydrocarbon Oils." He said: Attached to the Bill is a memorandum of Objects and Reasons which has already been published in this morning's papers and which, in accordance with custom, will be published in Hansard report. It will therefore not be necessary for me to say more than that the object of this Bill is to impose a tax of 15 cents a gallon on all Light Hydrocarbon Oils, a list of which is given in the fourth schedule on Page 30, which are in the Colony on and after 1st July next, with the exception of Light Hydrocarbon Oils imported as ship's stores on local Government account or on account of the Imperial Government, and with the additional exception of Light Hydrocarbon Oils manufactured in this Colony and removed under export permit. I beg to move the first reading.

The Colonial Secretary seconded and the Bill was read a first time.

"To the Rev. Mother of St. Thomas's Convent, Oxford, my Westminster chimes striking clock with its bracket, and my Ottoman couch with all its contents for the use of the convent." This bequest was contained in the will of Miss Annie Wilhelmina Philpot, who died on February 20, leaving £2,705. Miss Philpot, who lived at Lonsdale-road, Oxford was the daughter of the late Rev. W. B. Philpot, of Birsted, Sussex.

LOCAL RADIO.

A STUDIO CONCERT ARRANGED.

The radio programme for to-day includes a studio concert by local artists.

6.00-7.00 p.m. Chinese programme.
8.00 p.m. Fantasia and Fugue on B. A. C. H. (Liszt), Guy Weiss.
Westminster Cathedral Organ.
7.08 Beautiful Isle of Somewhere.
Marion Talley.

7.14 One Little Dream of Love.
Renée Chomet. (Violin).

7.20 Gems From "The Student Prince of Heidelberg."
Victor Opera Co.

7.28 My Angel. Paul Whitman.

7.35 The Swallows.
Darwin Brown Jr.

7.43 Negro Spiritual Melody.
Kreiser.

7.50 Autumn Sea.
Associated Glee Clubs.

7.58 Sweetheart O' Mine. Marvin.
8.05 A Dream. Crawford.

8.11 Drinking Song (Luceria).
Borgia. Onegin.

8.18 Gems from "The Chocolate Soldier." Victor Light Opera Co.

8.26 Southern Melodies (Waltz).
Hawthorn Orch.

8.34 Sometime.
Galli Curci.

8.40 Moment Musical.
Casals (Violinello).

8.46 Nights of Gladness.
Rudy Seigers Orch.

8.52 Serenity. (Vieuxtemps).
Chemet.

9.00 Weather Report and News Bulletin.

Studio Concert.
9.05 Pianoforte solo (Selected).
Miss A. Baptista.

9.14 Scent of the Lilies (Cable).
Mr. H. Annis, Tenor.

9.22 Malaguena. (Violin Solo).
Kreiser. (Victor Record).

9.30 March of the Musketeers (Friml). The Queen's Orchestra.

9.38 One Fine Day.
(Madam Butterfly).

9.45 The Blue Danube Waltz.
(Strauss).

9.55 a. Nirvana. (Adams).
b. I Know of Two Bright Eyes. (Glutman).

Mr. C. D. Wright.
10.04 Indian Love Song.
The Orchestra.

10.10 a. A Perfect English Rose (German).
b. Two Eyes of Grey.
McGeoch.

Mr. Hubert Annis.
10.18 Rose Marie Selection.
The Orchestra.

10.28 Buy My Strawberries.
Down Vauxhall Way. (Oliver).
Miss Randle.

10.36 Salut D'Amour (Elgar).
The Orchestra.

10.43 Mountain Lovers (Squire).
Sielliana (Mascagni).
Mr. C. D. Wright.

10.52 Virginia Reel.
The Orchestra.

11.00 Close down.

Cairo, June 19.

The King of Egypt has accepted the Nahas Pasha Cabinet's resignation, tendered on June 17 owing to its inability to accept amendments from the Palace regarding the Constitution question.—Reuter.



That Scratch is Dangerous!

After shaving never wash your face without an ample dash of "4711" Genuine Eau de Cologne. "4711" thoroughly cleanses those little cuts and more spots, and gives your face a cool and pleasant feel.

Eau de Cologne with the Blue and Gold Label Invaluable as an after-shaving lotion.

4711 Genuine Eau de Cologne

Sole Agents in China: MELCHERS & CO.



Put a Kodak in your pocket

Something's bound to happen that you'd like a picture of, and with a Kodak along you're ready.

The Kodak is a faithful companion, with a faultless memory for faces and places.

It remembers, in pictures, the spots you visit and the friends you make, wherever you happen to go.

Your dealer will help you to select your Kodak

EASTMAN KODAK CO.

21, Yuen Ming Yuen Road, SHANGHAI.

BOLS CELEBRATED SILVER TOP DRY GIN



THIS IS THE IDEAL GIN FOR ANY BEVERAGE REQUIRING GIN AS A BASIS

OBTAINABLE EVERYWHERE

Sole Distributors:—

H. RUTTONJEE & SON

15, Queen's Road, Central.

THE HUSBAND HUNTER

BY RUTH DEWEY GROVES

CHAPTER XXVII

Alan's hand shook, as he laid the telegram he had just read on his desk, and looked up at Philippa. "I'm afraid I can't go with you," he said simply.

Philippa almost lost her role of meekness. "Why?" she said fiercely, sensing that a third person had interfered through the telegram. Then, instantly, "Why can't you?" she added more submissively.

"I'm to meet Natalie at the Grand Central at five o'clock." Philippa's face went chalk white. "You're going to meet her?" she asked, and the words were more hissed than spoken.

Alan nodded. "Alan?" Philippa waited his name, and sank into a chair, her head on her arms, her shoulders shaking pitifully.

Alan's heart was torn. God, what a mess he was making of things! Here was this girl, who had given him unstintingly of her sympathy and company, and was now about to be kicked out of her home—what kind of beast did she have for a father anyway? Here she was, sobbing her heart out on his account, and he planning to meet Natalie.

But he didn't see how he could help it. Unless, unless he didn't meet Natalie. He glanced down at Philippa, went to her and put his hands on her shoulders. Philippa leaned against him.

He knew he was going to meet Natalie, but he was terribly sorry for Philippa. Yet, as he told her while she knew calmer, it dawned upon him that she might be suffering from nerves more than anything else. What had she to cry over in the fact of his meeting Natalie? It was a natural thing for Natalie to wire him. She wouldn't want to ask a friend to be at the station. So far as he knew, their separation was still a matter of speculation only among their acquaintances.

And Natalie was the kind of woman who would want to do things up decently, once she was out from under the power of her jealousy. She had a fine, orderly mind.

Thinking of Natalie, he forgot he was comforting Philippa, until he felt her hand creep into his, and snuggle there confidently. Instantly the warm glow at his heart faded. No, it probably wouldn't work out, being friends with his former wife when—the thought came hesitatingly—he was married to Philippa.

Philippa sensed he was in a mood that she could turn to her account. A bit of guilt, a bit of pity for her, a bit of longing for Natalie, a bit of desire to do the right thing for both of them.

"Where shall I look for an apartment?" she stammered, as though speaking were difficult for her. She knew that Alan wouldn't think of any cheap rental districts.

"You'll want something nice," he said, and felt ever so much better, it being the instinct of all gallant men to pay when they make a woman suffer.

"I've looked at ads," Philippa confessed. "The nice places all seem to be dreadfully high."

"Yes, yes, I expect so," Alan agreed impatiently. He had been thinking in very large sums indeed when she entered the room; it irritated him to have to bother with the small detail of apartment rental.

Philippa secretly gloated over his evident impatience. "But, Alan, I can't afford anything more than fifty dollars a month. I'll still have to give mother money."

As she expected, he argued that she would have to let him increase her salary. She would have much preferred to have him agree to pay the rent outright. It would have made it so much clearer that it was he who was paying the rent—in case she should wish to make that point clear.

But at least she had gained her chief point. She would be living alone, away from her parents. The inference would be to a jealous wife's mind—that Alan had wanted it so.

And with a place where she could entertain Alan, she would have greater power over him. Having thought it all out before she came in, she realized that Alan might, if he wished to, use the fact that they always had to go somewhere to be together as an excuse to stay away from her. That is if he wanted to be with Natalie. And Philippa foresaw he might want to be with his wife. It might be merely expediency that would bring them together at first; but Philippa was certain that Alan cared too much for Natalie to keep away from her. If not, then why wasn't he more affectionate with her? No, even if she hadn't known about Natalie,

she could have guessed that there was another woman holding him back.

But it amused her that Alan could not guess how far from irrevocably he was separated from Natalie.

Let him claim weariness now, and she could offer him a resting place. Let him say he needed more sleep, and she could coax him to take a nap. She would fairly smother him with attentions. Cushions just so, a match lighted for him whenever he wanted a cigarette, newspapers and a good reading lamp—even slippers. She made a mental note to buy him a pair on her first shopping trip after she found an apartment.

She thanked him for the promised increase in her salary and left. She hadn't dared try to stop him from going to meet Natalie. Her tears had failed. He had comforted her, yes—she could still feel his hands upon her shoulders—but he had said no word to indicate that his decision was changed.

While weeping there at his desk, she had controlled herself enough to know that if he could not be softened by her tears, he would never weaken to stormy pleading. And Philippa was too aroused to plead otherwise. Fortunately for her, she knew it.

Suppose she made a scene? What good would it do her? It was only when the man loved and the woman didn't, that she held the winning tricks. Then she could threaten to break with him. But even that could be overdone. Philippa said to herself, thinking of Natalie's many threats to leave Alan.

One thing was clear to Philippa—if ever Alan got away from her, it would be the end.

She decided to hold him on a flexible string. He might even think, at times, that he was entirely free. This afternoon, for instance, when he met Natalie. What would they do? Make a dinner date?

Well, by that time she would have an apartment. She would take almost anything, come back before Alan left the office, and make him promise to go with her that night to look at it. He might dine with Natalie—although—she would try to prevent it—but he could not remain late with her.

Philippa left the office as soon as Alan had gone out with his friends, Mr. Royden and Mr. Adams, to meet Mr. Payne. She was back at four, with a receipt for a deposit on an apartment in East Fifty-sixth Street.

She had liked it well enough to take it without waiting for Alan's approval. But she did not mean to tell him that she had paid a deposit.

She found him seated before his desk, which was littered with papers, and instantly guessed that he had not been able to concentrate on his work.

She looked at him for the scars of battle. Evidently everything had gone off satisfactorily at the conference and luncheon. He appeared excited, but not disappointed.

She sank wearily into her accustomed seat, the chair by his desk. She had removed the rouge from her cheeks, and left only enough on her lips to give them character. She looked wan, and tired. As she was, for this fight to keep Alan was an earnest one with her. She had worried over it all the night before.

"Any luck?" Alan asked sympathetically.

She nodded. "I think so," she said doubtfully. "There's a place in East Fifty-sixth Street. I said we would be back tonight to look at it again."

Alan frowned sharply. "But," he began, and then clamped his lips together.

Philippa was going on in a tone weedy fashion. "It's nice, really. I hope you'll like it. Alan. Apartment hunting is terribly tiring."

Their eyes met, and she smiled wanly, as though she knew he understood what it was that really tired her. It was a good imitation of a brave little girl trying courageously to hide her wounds.

It made Alan feel like a brute. Philippa grasped her opportunity—seeing his discomfiture—and got up.

"I'll rush through my work and leave early, if you don't mind," she said. "I'd like to get a hot bath before dinner. And Alan, I wonder if you'd mind calling for me tonight? I'm sorry—but I had no sleep last night—I'd like to go to some quiet place near home, or in the village."

Alan fidgeted. He hadn't thought of dining with Philippa that night. "Perhaps it would be better for you to stay home and go to bed early," he suggested hopefully.

HOUSE PURCHASE SCHEME

CHINA UNDERWRITERS, LTD.
will advance up to 70% on approved

Mortgage of Houses
Repayable by Instalments
WITH LIFE ASSURANCE

Example.

A man aged 30 builds or purchases a house for \$20,000.
The Company advances 70% = \$14,000.
The Borrower pays \$1,492 per annum for 20 years.
(or \$95 per quarter) or until his previous death.

THE HOUSE IMMEDIATELY BECOMES HIS OWN PROPERTY subject to the Company's Mortgage. At the End of 20 Years or in event of his Death at any time the House becomes the absolute property of the Insured or his representatives.

Free from all Further Payment or Incumbrance.

Other Terms on Application to—
CHINA UNDERWRITERS LTD.
Hongkong Bank Building

AMERICAN STOCKS.

CABLED QUOTATIONS FROM NEW YORK.

The following quotations have been received from their correspondents Messrs. Hayden, Stone and Co. of New York, by Messrs Swan, Culbertson and Fritz, Sassoon House, Shanghai (cable address: "Swanstock") Shanghai, who are not responsible for cable mutilations.

New York, June 19.

Tone of Market.—Firm	
No. of Shares done—3,500,000	
Call Money—2 1/4%	
American Smelting	58
Anacosta Copper	49
Baltimore & Ohio	104
Borg Warner	28
Continental Oil	21
City Service Common	28
Curtis Wright Common	7
Eastman Kodak	205
Electric Bond & Share	51
General Motors	37
General Railway Signal	78
Gold Dust	38
Goodyear Tire & Rubber	65
Granby Consolidated	21
Hudson Motors	31
International Cement	63
International Nickel	25
Montgomery Ward	37
Nevada Consolidated Copper	16
Radio Corp.	39
Sears Roebuck	74
Simmons Company	27
Standard Oil Co. of New York	32
U. S. Rubber	22
U. S. Steel	161

NEW LINERS FOR O.S.K.

SIX MOTOR SHIPS TO BE PLACED ON RUN.

The Osaka Shosen Kaisha are always endeavouring to make every possible improvement to their various services operating in all parts of the world with a view to meeting the satisfaction and confidence of both exporters and importers.

Six motorships have been under construction for the company to be placed on the New York run and the first of these, the Kintai Maru, is now completed and is due to arrive in Hongkong on June 27. She will sail for New York via the Panama Canal on June 29. It is expected that the trip to New York will occupy 43 days.

The six ships are all similar and will have a gross tonnage of 8,400 tons with a capacity of 14,250 tons. They will be 463 1/2 feet in length and 60 1/2 feet wide, with a depth of 40 1/2 feet. They are expected to attain a speed of 18 knots per hour.

The other five ships are the Kwantou Maru, Hokuriku Maru, Tokai Maru, Sanyo Maru and Kwanai Maru.

"Oh, Alan," Philippa's voice was loaded with reproach. It got to Alan like an arrow. "It was such a terrible row I had with father. He wouldn't want me at the table. And mother's worried nearly to death, as it is. If she thought that—that—" her voice broke, and she turned away with a despairing sob, half choked back by a handkerchief hastily applied to her lips.

Alan felt as though he had slapped a lost child, or kicked a hungry dog.

"I'm sorry," he said quickly. "I'm afraid I forgot about your trouble at home, Philippa. Of course, I'll call for you, but," he paused and avoided looking at her, "I may be late."

(To Be Continued.)

BANKS.

P. & O. BANKING CORPORATION LTD

(Incorporated in England 1926).

Authorized Capital \$5,000,000
Subscribed and Paid Up 2,500,000
Reserve Fund 100,000

HEAD OFFICE: 122, Leadenhall Street, London, E.C.3.

WEST LONDON BRANCH: 14-16, Cockspur Street, London, S.W.1.

BRANCHES:—Bombay, Calcutta, Cebu, Colombo, Hongkong, Madras, Shanghai, Singapore.

AGENCIES:—In all the principal towns of the world.

General Exchange and Banking Business transacted. Loans and overdrafts granted on approved security. Current and Fixed Deposit accounts opened.

SAVINGS BANK ACCOUNTS.—Interest allowed 4 1/2%.

Passengers travelling Homeward are recommended to obtain a Letter of Credit from us, which can be cashed through the Purser of any P. and O. or B. I. S. N. Steamer or at any of the Branches of the Corporation.

J. DONALDSON, Acting Manager.

NEDERLANDSCHE HANDEL MAATSCHAPPIJ N.V.

(Netherlands Trading Society.)

BANKERS.

ESTABLISHED 1824.

Hongkong Office: 11, Queen's Road Central.

Authorized Capital Guilders 150,000,000.

(£15,000,000.)

Paid-Up Capital Guilders 80,000,000.

(£8,000,000.)

Reserve Fund Guilders 40,000,000.

(£4,000,000.)

Head Office:—AMSTERDAM.

Eastern Head Office:—BATAVIA.

BRANCHES:—Batavia, Bencoolen, Birmah, Borneo, Calcutta, Cebu, Hongkong, Java, London, Madras, Manila, Penang, Peking, Rangoon, Rotterdam, Singapore, Soerabaya, Swatow, Tientsin, Yokohama.

Correspondents all over the world.

BANKING BUSINESS OF EVERY DESCRIPTION TRANSACTED.

A. STOKINK, Acting Manager.

Hongkong, 23rd May, 1929.

THE YOKOHAMA SPECIE BANK, LIMITED.

Capital (fully paid up) Y. 100,000,000

Reserve Fund Y. 108,500,000

HEAD OFFICE:—YOKOHAMA.

Branches and Agencies at:—

Alexandria, Batavia, Bombay, Buenos Ayres, Canton, Cebu, Calcutta, Hankow, Harbin, Hongkong, Kobe, London, Lyons, Manila, Medan, Peking, Penang, Rangoon, Shanghai, Singapore, Soerabaya, Swatow, Tientsin, Yokohama.

Interest allowed on Current Accounts.

Deposits received for fixed periods at rates to be obtained on application.

H. MORI, Manager.

Hongkong, 11th September, 1929.

BANK OF CHINA.

Reorganized October 24, 1928, under special charter of The National Government as an

INTERNATIONAL EXCHANGE BANK.

Subscribed Capital \$25,000,000.00

Paid-Up Capital 24,710,200.00

Reserve Funds \$20,503,82

HEAD OFFICE: SHANGHAI.

HONGKONG BRANCH: 4, Queen's Road Central.

Owing to our numerous branches in China and large connections in the important commercial centres of the world, we are able to extend to our clients special facilities for domestic and foreign banking and exchange.

We also handle the issue of bonds and other Public Funds of the Chinese Government both at home and abroad.

SHOU J. CHEN, Manager.

THE BANK OF EAST ASIA, LIMITED.

HEAD OFFICE: HONGKONG.

No. 10, Des Voeux Road Central, Hongkong.

Authorized Capital \$10,000,000

Paid-Up Capital 5,000,000

Reserve 1,750,000

BRANCHES AND AGENCIES:—

Batavia, Bombay, Calcutta, Canton, Cebu, Hankow, Harbin, Hongkong, Kobe, London, Lyons, Manila, Medan, Peking, Penang, Rangoon, Shanghai, Singapore, Soerabaya, Swatow, Tientsin, Yokohama.

Correspondents in all principal cities of the world.

Every description of Bank and Exchange business transacted. Loans granted on approved securities.

KAN TONG PO.

MASSEUR E. SHIMIDZU, MASSEUSES S. HONDA, MASSEUSES S. KISAKI.

Recommended for many years by Government Civil Hospital, Peak Hospital, etc., and by all the local doctors.

24, Wyndham Str Tel. 24045.

SHAMEEN PRINTING PRESS

AGENTS FOR

The Hongkong Telegraph.

TO WHOM ALL LOCAL ENQUIRIES SHOULD BE ADDRESSED

HONGKONG AND SHANGHAI BANKING CORPORATION.

Authorized Capital \$50,000,000

Issued and Fully Paid-up \$20,000,000

Reserve Funds \$8,000,000

Reserve Liability of Proprietors \$20,000,000

HEAD OFFICE: HONGKONG.

BOARD OF DIRECTORS: J. A. Plummer, Esq., Chairman.

Hon. Mr. C. G. S. Mackie, Deputy Chairman.

W. B. Bell, Esq., Mr. J. J. Paterson, A. H. Compton, Esq., T. E. Pearce, Esq., L. Lander Lewis, Esq., T. H. B. Shaw, Esq., G. Makin, Esq., J. F. Warren, Esq.

ACTING CHIEF MANAGER: V. M. GRAYBURN, Esq.

BRANCHES:—

AMSTERDAM, BANGKOK, BATAVIA, BOMBAY, CALCUTTA, CANTON, CHIOPOO, COLOMBO, HANKOW, HONGKONG, KANBUN, KOWLOON, KUALA LUMPUR, LONDON, LYONS, MANILA, MADRAS, MALACCA, NAGASAKI, NEW YORK, Peking, PENANG, RANGOON, SAIGON, SHANGHAI, SINGAPORE, SOERABAYA, SWATOW, TIENTSIN, YOKOHAMA.

Current Accounts opened in Local Currency and Fixed Deposits received for one year or shorter periods in Local Currency and Sterling on terms which will be quoted on application.

Hongkong, 2nd April, 1930.

HONGKONG SAVINGS BANK.

The Business of the above Bank is conducted by the HONGKONG AND SHANGHAI BANKING CORPORATION. Rules may be obtained on application.

FOR THE HONGKONG AND SHANGHAI BANKING CORPORATION.

V. M. GRAYBURN, Acting Chief Manager.

Hongkong, 19th September, 1927.

THE CHARTERED BANK OF INDIA, AUSTRALIA & CHINA.

Incorporated by Royal Charter, 1824.

HEAD OFFICE: LONDON.

Paid-Up Capital £2,000,000

Reserve Fund £4,000,000

Reserve Liability of Proprietors £2,000,000

AGENCIES AND BRANCHES:

ALOR STAR, AMSTERDAM, BANGKOK, BATAVIA, BOMBAY, CALCUTTA, CANTON, CHIOPOO, COLOMBO, HANKOW, HONGKONG, KANBUN, KOWLOON, KUALA LUMPUR, LONDON, LYONS, MANILA, MADRAS, MALACCA, NAGASAKI, NEW YORK, Peking, PENANG, RANGOON, SAIGON, SHANGHAI, SINGAPORE, SOERABAYA, SWATOW, TIENTSIN, YOKOHAMA.

Foreign Exchange and General Banking business transacted.

Current Accounts opened and Fixed Deposits received for one year or shorter periods at rates which will be quoted on application.

A. H. FERGUSON, Manager.

THE NATIONAL CITY BANK OF NEW YORK.

HEAD OFFICE: 55, Wall Street, New York.

Capital, Surplus and Undivided Profits U.S.\$242,409,428

Branches in:—

ARGENTINE, BELGIUM, BRAZIL, CHINA, COLOMBIA, CUBA, DOMINICAN REPUBLIC, INDIA, ITALY, JAPAN, LONDON, MEXICO, PANAMA, PERU, PHILIPPINE ISLANDS, PORTO RICO, ST. PETERSBURG, URUGUAY, VENEZUELA.

Commercial and Travellers' Letters of Credit, Travellers' Cheques, Bills of Exchange and Cable Transfers bought and sold. Current accounts and Savings Bank accounts opened and Fixed Deposits in local and

THE BLUE FUNNEL LINE

REGULAR AND FAST
FREIGHT AND
PASSENGER SERVICES

LONDON SERVICE

"DIOMED" 24th June M'les, London, B'dam & H'burg
"HECTOR" 9th July M'les, London, B'dam & U'gow
* Calls at Casablanca.

LIVERPOOL SERVICE

"TEIRESIAS" 20th June Genoa, Havre, L'pool & G'gow
"KT. COMPANION" 26th July Genoa, Havre, L'pool & G'gow

PACIFIC SERVICE

"IXION" 10th July For Victoria, Van'ver & Seattle
"TYNDAREUS" 2nd Aug. For Victoria, Van'ver & Seattle

NEW YORK SERVICE

"ELPENOR" 2nd July For New York, Boston & Baltimore via Suez

INWARD SERVICE

"PHILOCTETES" 24th June S'hai, Moji, Kobe & Yokohama
"AENEAS" 1st July Shanghai, Tsingtao, Weihaiwei
or Chiofo, Taku & Dairen

PASSENGER SERVICE

"AENEAS" 2nd July For Shanghai, Tsingtao, Weihaiwei, Taku & Dairen

"HECTOR" 9th July For S'pore, M'les & London

Also Cargo Steamers with limited passenger accommodation at specially reduced fares.

For freight, passage rates and information apply to—

BUTTERFIELD & SWIRE.

Agents

INDO CHINA STEAM NAVIGATION CO., LTD.

SAILINGS SUBJECT TO ALTERATION.

Destination.	Steamers.	Sailings.
TO TSINGTAO via SWATOW & SHANGHAI	Hangsang Yatsing Kwongsang Chaksang	Sun. 22nd June at 10 a.m. Wed. 25th June at 10 a.m. Sun. 29th June at 10 a.m. Wed. 2nd July at 10 a.m.
TO SINGAPORE PENANG & CALCUTTA	Namsang Kutsang Hosang	Wed. 25th June at 3 p.m. Tues. 8th July at 3 p.m. Sat. 19th July at 3 p.m.
TO OSAKA via AMOY & KOBE	Hosang	Tues. 1st July at 7 a.m.
TO OSAKA via AMOY, SHANGHAI & KOBE	Yuensang	Wed. 9th July at 7 a.m.
TO OSAKA via AMOY, MOJI & KOBE	Kumsang	Fri. 18th July at 7 a.m.
TO SANDAKAN	Hinsang Mausang	Thurs. 26th June at 3 p.m. Sun. 6th July at noon.
TO TIENTSIN via SWATOW & POCHOW	Cheongshing Chipsing	Tues. 24th June at 7 a.m. Fri. 11th July at 7 a.m.

SUMMER TRIPS TO JAPAN.

Excellent first class accommodation on through steamers from Calcutta to Japan at the specially reduced return fares of \$175.00 to Kobe and \$200.00 to Yokohama. These return tickets are available for three months. Further reductions made for parties of not less than four adults.

For freight or passage apply to:—

JARDINE, MATHESON & CO., LTD.

Telephone 30311.

General Managers



FRENCH MAIL STEAMERS.

Sailings from Hongkong.

To MARSEILLES via Saigon, Singapore, Colombo, Djibouti (Aden) Suez, Port-Said.	To YOKOHAMA via Shanghai & Kobe
PORTHOS..... 1st July.	ATHOS II..... 1st July.
CHENONCEAUX..... 15th July.	D'ARTAGNAN..... 15th July.
ATHOS II..... 29th July.	ANGERS..... 29th July.
D'ARTAGNAN..... 12th Aug.	SPHINX..... 12th Aug.
ANGERS..... 26th Aug.	G. METZINGER..... 1st Sept.
SPHINX..... 16th Sept.	ANDRE LEBON..... 15th Sept.
G. METZINGER..... 30th Sept.	PORTHOS..... 29th Sept.
ANDRE LEBON..... 14th Oct.	CHENONCEAUX..... 13th Oct.

We can issue through tickets to Egypt, Syrian ports, East Africa, Madagascar by transhipment on our mail steamers at Port-Said or Djibouti.

COMMERCIAL LINE.

From DUNKIRK Hamburg, Rotterdam, (Antwerp):

For full Particulars, apply to:—

Cie. des MESSAGERIES MARITIMES.

Telephones: 26551.

3, Queen's Building.

WATER SHORTAGE OF 1929.

GRAPHIC DETAILS OF COLONY'S TROUBLE.

During the whole of the year 1929 the Colony was on a restricted supply of water and the Rider mains were closed during 219 days of the year. From January 1 to April 30 there was a constant supply by street fountains only, night pressures being reduced during the period from March 23 to April 30.

From May 1 to May 27 there was a 12 hours supply from 6 a.m. to 6 p.m. From May 28 to June 17 there was a seven hours supply daily. From June 18 to July 1 a five and a half hours supply, from July 2 to July 22, a four hours supply.

From July 23 to August 7 there was a 12 hours supply in all Rider main districts, the principal mains being closed from 7 p.m. to 8 a.m. By August 19 conditions had improved and from that date to September 8 there was a 12 hour house supply in all Rider main districts; the principal mains being still closed at night.

From September 9 to November 19 there was a 15 hours house supply in all Rider main districts. From November 13 to December 31 this was again reduced to a 12 hours supply in all Rider main districts, principal mains being closed at night.

Numerous emergency measures were taken to augment the regular supplies, among them the drawing of 19.12 million gallons of water from the Taikoo Refinery supply, which was connected with the Government main at North Point; 40 million gallons were transported from Laichikok to tanks on the Praya by water boats; 13.98 million gallons were transported by the same means to similar tanks from Tsun Wan, and 13.44 million gallons were imported from outports and Canton by the Water Emergency Committee. In all a total of \$6.54 million gallons of water were thus supplied, or an average daily supply of 0.92 million gallons from February 2 to August 17.

Streams Diverted.

Altogether 21 tanks of a total capacity of 1.05 million gallons were erected on the Praya between Douglas Street and Kennedy Town and on the Praya East Reclamation. Approximately half of the tanks were supplied with water from Lai Chi Kok and Tsun Wan and the remainder with imported supplies. Fountains north of Queen's Road were generally closed whilst tank supplies were available.

With a 4 hours per day supply and the above supplies in operation the draw-off from the permanent supply fell below 3 million gallons per day.

In addition to the above supplies several streams were diverted into the Bowen Road and Pokfulam Conduits and yielded approximately 100 million gallons after the rains had set in. A further 45 million gallons was likewise obtained by the construction of a channel approximately 4,500 feet in length at Tytam Tuk. This channel, which was completed on July 22, diverts the run off from 150 acres into Tytam Tuk Reservoir and as that reservoir did not overflow during the year the full benefit of these additional supplies was obtained. This channel will be available until superseded by the permanent Tytam Tuk East Catchwater.

The total amount of water stored in the impounding reservoirs on January 1, 1929 amounted to 998.53 million gallons, of which 292.63 million gallons were in gravitation reservoirs and 705.90 m.g. in the

FINE ON MOTOR BOAT COXSAIN.

DENIES MAKING FAST TO A STEAMER.

The coxswain of a motor-boat denied a charge of making fast to s.s. Kong So, which was still under way, on June 15, when he was summoned before the Hon. Commr. G. F. Hole, R.N., at the Marine Court yesterday.

Sgt. Olivier, who prosecuted, testified that at about 12.45 p.m. on June 15, whilst on duty on s.s. 5 police launch, he noticed the Southern Kong So coming up the Southern Fairway in an easterly direction. As the steamer was swinging round to her wharf, he saw the defendant's motor-boat going alongside the Kong So on the starboard side aft. At the same time, he also noticed a man going up to the Kong So from the motor-boat.

Witness then ordered No. 5 police launch to go alongside the Kong So, but on his approach the defendant's motor boat was pushed off from the steamer.

Sgt. Headridge, who was on duty together with Sgt. Olivier at the time, corroborated the latter's evidence.

Still maintaining that he had not made fast to the steamer in question, defendant stated that as the Kong So was approaching her wharf, his motor-boat lay off for the larger vessel to go alongside her wharf. He said he stopped when the Kong So passed his craft and expressed the opinion that the police officers must have been mistaken in thinking that he had made fast to the steamer as the police launch was then some distance away.

In answer to his Worship, defendant said he was bound for Blake Pier with a passenger on board. He could not, however, produce any witnesses to bear out his story.

In registering a conviction, his Worship remarked, "It seems rather peculiar to me that if your story is true that you have no witness to corroborate it, not even a fool."

Defendant was fined \$15 with the alternative of two weeks' imprisonment.

ECHO OF HAICHING PIRACY.

THREE MEN REWARDED FOR THEIR SERVICES.

There was an echo of the piratical attack on the Douglas steamer Haiching last December, at the Harbour Office yesterday, when three men who figured prominently in the tragic affair were rewarded for their services.

Mr. R. Perry, the second officer of the vessel, who was slightly injured by a bullet wound, was handed a cheque for \$50 yesterday and the Wireless Operator Mr. Cheung Yau-tak was also rewarded.

A Chinese, named Lo Ngau, the master of a trading junk, was presented with a cheque for \$200 for his part in the rescue work after the vessel was set on fire. It is said that his junk picked up over 50 people.

Low level reservoirs requiring pumping. Storage reached a minimum on July 11, when the total was 141.38 m.g.

On June 18 Tytam Tuk reservoir stood at 107 feet below overflow level and pumping had to be discontinued owing to the muddy state of the water.

CONSIGNEES' NOTICE.

OCEAN STEAM SHIP CO. LTD.
And
CHINA MUTUAL STEAM NAVIGATION CO. LTD.

Consignees per Company's Vessel.

"PYRRHUS"
From UNITED KINGDOM via SINGAPORE.

are hereby notified that their cargo will be discharged into Holt's Wharf Kowloon, where it will lie at Consignees' risk and subject to terms and conditions of storage at Holt's Wharf. The Cargo will be ready for delivery from Godown on and after 18th June.

Optional cargo will not be landed here, unless notice has been given prior to steamer's arrival but carried on from port to port to the final port of call to which the option extends.

All broken, chafed, and damaged goods are to be left in the Godowns, where they will be examined on any Tuesdays and Fridays between the hours of 10.45 a.m. and noon within the free storage period.

No claims will be admitted after the Goods have left the steamer's Godown, and all Goods remaining undelivered after the 24th June, will be subject to rent.

All Claims against the Steamer must be presented to the undersigned on or before the 31st July, or they will not be recognised.

No Fire Insurance will be effected.

BUTTERFIELD & SWIRE, Agents.

Hongkong, 17th June, 1930.

SERVICES CONTRACTUELS DES MESSAGERIES MARITIMES.

The Steamship, "CHENONCEAUX"

Arrived Hongkong on Tuesday, the 17th June, 1930.

From MARSEILLES, &c.

Consignees of Cargo by the above named steamer are hereby informed that their goods with the exception of Opium, Treasure and Valuables are being landed and placed at their risk in the Godowns of the Hongkong & Kowloon Wharf & Godown Co., Ltd., Kowloon, whence delivery can be obtained as the goods are landed.

Goods not cleared within 7 days including date of arrival, will be subject to rent.

All claims must be sent to the undersigned before Thursday, the 26th June, 1930, or they will not be recognized.

Damaged packages must be left in the Godowns for examination by the consignees, and the Company's Surveyor Messrs. Goddard & Douglas at 10.00 a.m. on Monday, the 23rd June, 1930.

No claims will be admitted after the Goods have left the Godowns.

No fire insurance will be effected by us in any case whatever.

R. OHL, Agents.

Hongkong, 17th June, 1930.

JURY NOT SATISFIED WITH EVIDENCE.

MAN DISCHARGED BEFORE PROSECUTION CLOSES.

Expressing the opinion that there was not sufficient evidence of identification, the jury asked the Judge to discharge Li Yan, who was charged at the Criminal Sessions, before Mr. Justice Wood yesterday morning, that with three others unknown, he robbed Tang Sing of a cotton jacket, a watch and \$20 in money.

His Lordship ordered the immediate release of the prisoner, the case coming to an abrupt close towards the end of the case for the prosecution.

Mr. Somerset Fitzroy prosecuted for the Crown and accused was undefended.

BANK LINE LTD.

AGENTS FOR

ELLERMAN & BUCKNALL S.S. CO., LTD.

SAILINGS SUBJECT TO ALTERATION WITHOUT NOTICE.

UNITED KINGDOM & CONTINENT ... ELLERMAN LINE.
S.S. "CITY OF CORINTH" ... London, Rotterdam & Hamburg ... 9th July

NEW YORK, BOSTON & BALTIMORE AMERICAN & MANCHURIAN LINE.
S.S. "CITY OF BOMBAY" ... 10th July

ALSO AGENTS FOR

ANDREW WEIR & CO.

SERVICES TO

BOSTON, NEW YORK & BALTIMORE AMERICAN & ORIENTAL LINE.
M.V. "OAKBANK" ... 8th July

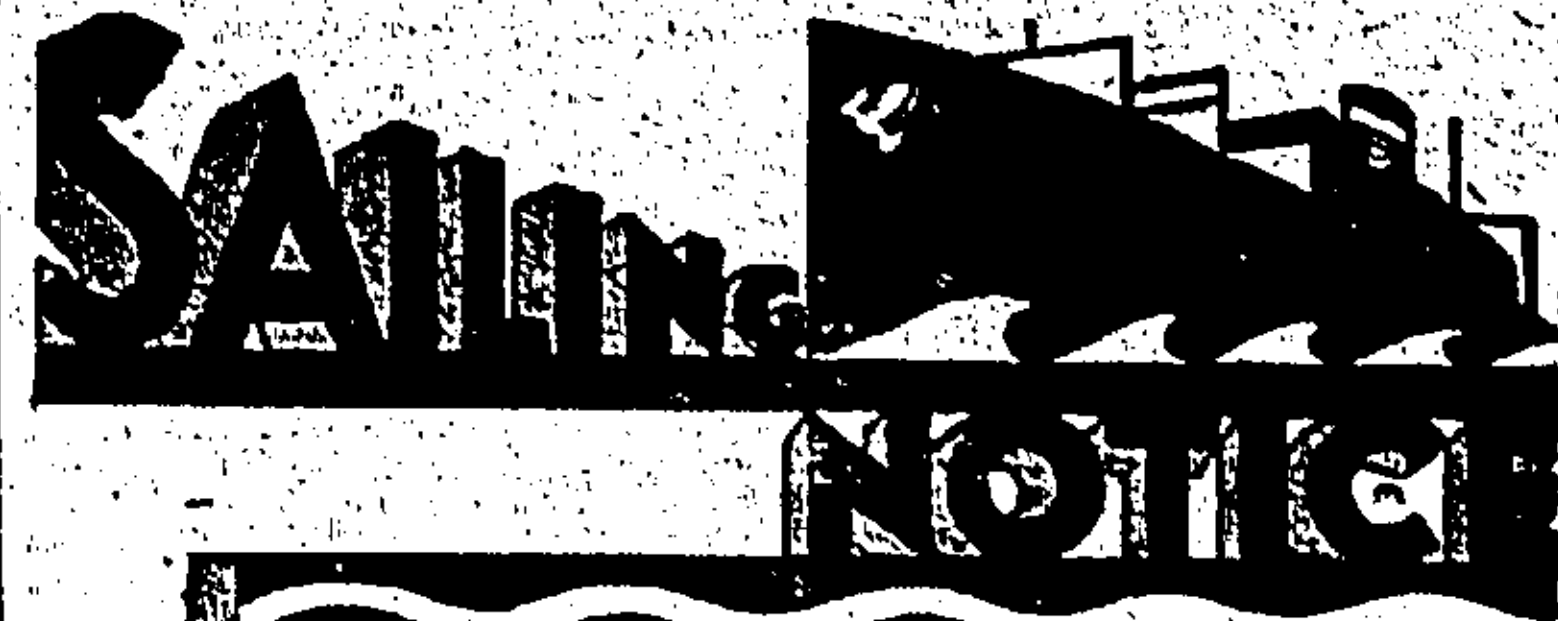
MAURITIUS & SOUTH AFRICA ORIENTAL AFRICAN LINE.
S.S. "TINHOW" ... 4th August

Loading for Mauritius, Durban, Reunion, Delagoa Bay, East London, Algoa Bay, (Port Elizabeth), Mossel Bay and Capetown.
Through Bills of Lading issued to Beira, Quilimane, Ibo, Port Amelia, Mozambique, Chinde, Inhambane, Zanzibar, Monbassa, Kilindini, Port Nolloth, Luderiz Bay, Walvis Bay and Madagascar.

For freight or passage on any of the above lines apply—

THE BANK LINE, Ltd.

Telephone 27791.



WEEKLY TRANS-PACIFIC SERVICE.

To San Francisco & Los Angeles
Fortnightly sailings on Tuesdays
Pres. Cleveland T., July 1, 1 a.m.
Pres. Pierce ... Tues., July 15
Pres. Taft ... Tues., July 29

To Seattle & Victoria
Fortnightly sailings on Tuesdays
Pres. Lincoln Tues., June 24, 8 a.m.
Pres. Madison ... Tues., July 8
Pres. Jackson ... Tues., July 22

\$120, \$112 Special through rates to Europe via United States. Direct connections with all Atlantic lines. Choice of rail lines across United States and Canada, liberal stop-over privileges for sight-seeing.

Europe and New York Direct

Fortnightly sailings on Sundays via Manila, Straits, Colombo, Suez, Canal, Alexandria, Naples, Genoa, Marseilles, New York and Boston.

Pres. Fillmore S., Jun. 23, 8 a.m.
Pres. Wilson Sun., July 13, 8 a.m.
Pr. V. Buren Sun., July 27, 8 a.m.

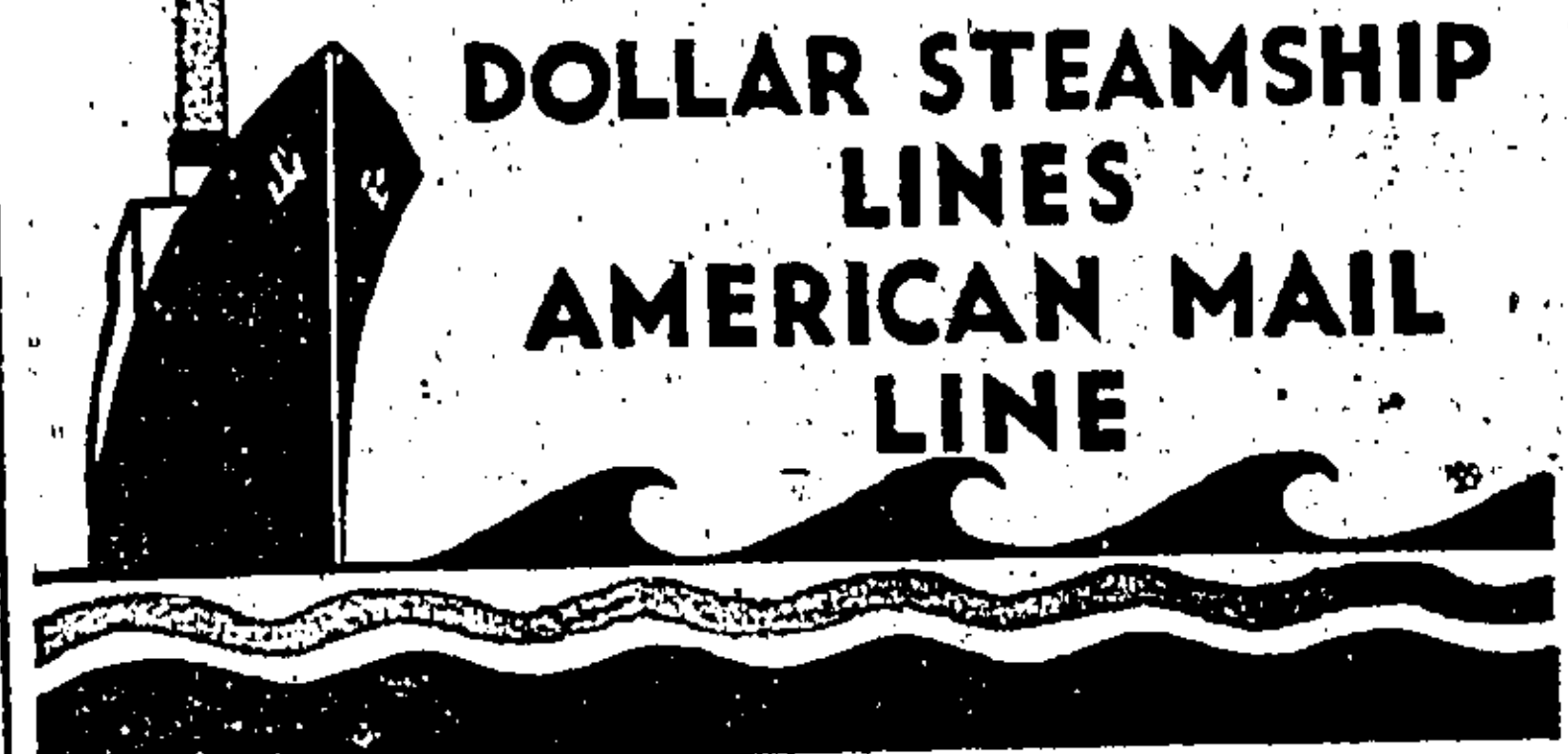
Pres. Garfield S., Aug. 10, 8 a.m.
Pres. Folk ... Sun., Aug. 24, 8 a.m.
Pres. Adams Sun., Sept. 7, 8 a.m.

To Manila

Pres. Cleveland ... June 21, 6 p.m.
Pres. Madison ... July 1, 6 p.m.
Pres. Pierce ... July 5, 6 p.m.

Pres. Jackson ... July 15, 6 p.m.
Pres. Taft ... July 19, 6 p.m.
Pres. McKinley ... July 29, 6 p.m.

CANTON BRANCH:—No. 4 Shakes Street.



N.Y.K. LINE

REDUCED THROUGH TICKETS TO EUROPE VIA U.S.A. VARYING FROM \$88 TO \$120—ON SALE.

SAN FRANCISCO via Shanghai, Japan Ports & Honolulu

Asama Maru ... Thursday, 3rd July.

Taiyo Maru ... Sunday, 13th July.

SEATTLE, VICTORIA via Shanghai & Japan Ports

Mishima Maru ... Friday, 20th June.

Siberia Maru ... Saturday, 5th July.

LONDON, MARSEILLES, ANTWERP & ROTTERDAM via

Singapore, Penang, Colombo & Suez.

Hakozaki Maru ... Saturday, 28th June at 7 a.m.

Torukuni Maru ... Saturday, 12th July.

SYDNEY & MELBOURNE via Manila & Ports.

Tango Maru ... Tuesday, 24th June.

BOMBAY via Singapore, Penang & Colombo.

Tottori Maru ... Friday, 27th June.

SOUTH AMERICA (WEST COAST) via Japan, Honolulu,

Los Angeles, Mexico & Panama.

Bokuyo Maru ... Sunday, 29th June.

SOUTH AMERICA (EAST COAST) via Singapore,

Capetown & Ports.

Kanaka Maru ... Tuesday, 1st July.

NEW YORK, BOSTON via Panama.

Tatsuno Maru ... Wednesday, 25th June.

LIVERPOOL via Port Said, Constantinople,

Genoa & Marseilles.

Durban Maru ... Sunday, 20th July.

CALCUTTA via Singapore, Penang & Rangoon.

Tokushima Maru ... Sunday, 29th June.

SHANGHAI, KOBE & YOKOHAMA.

Haruna Maru ... Sunday, 22nd June.

Ceylon Maru (Moji Direct) ... Sunday, 29th June.

Tamba Maru ... Monday, 30th June.

*Cargo only.

Reduced 1st class Excursion Rates quoted between

Manila and Australia.

For further information apply to:—NIPPON Yusen Kaisha.

Telephone 30291. (private exchanges to all Depts.)

FOR NIGHTLY FREIGHT SERVICE FOR

BRINDISI, VENICE & TRIESTE

Taking Cargo on through Bills of Lading to Fiume, Genoa, All Italian, Adriatic, Levant, Black Sea and Danube Ports.

NEXT SAILINGS FROM HONGKONG

For Shanghai ... For Singapore

M.V. FUSIYAMA ... 22nd June.

M.V. HILDA ... 9th July.

M.V. MONTE PIANA ... 24th July.

M.V. COL DI LANA ... 1st July. 3th Aug.

M.V. MONCALIERI ... 17th July. 24th Aug.

Cargo steamers only.

* Re-registered Space available for perishable goods.

All dates dates are subject to alteration without notice.

For Freight and Passages apply to:—

Queen's Building, DODWELL & CO., LTD., Agents.

CENTRAL THEATRE

Breaking all Local Records
Please Book Early



THE best of the season's musical plays! It's gay, rollicking and tuneful! The New York Telegram says "The screen's first original musical-romance."

MAURICE CHEVALIER
The Love Parade

AN ERNST LUBITSCH PRODUCTION
JEANETTE MACDONALD
LUPINO LANE ULLIAN ROTH

A SUPER-PRODUCTION
AT POPULAR PRICES.

Times and Prices.

At 2.15 p.m. ... \$1.00, 70 Cts. & 50 Cts.
At 5.10 & 7.15 p.m. ... \$1.20, 80 Cts. & 60 Cts.
At 9.15 p.m. ... \$1.50, \$1.00 & 70 Cts.

Servicemen 50 Cts. to \$1.00 for all Shows.

Bookings at Anderson Music Store and
at the Theatre (Telephone 25720).

The judge said,
"Fined fifteen
days," But he
found a million
dollars behind
the bars of this
fun-packed
prison!



**See You
in Jail**

TO-DAY &
TO-MORROW

at 2.30, 5.30, 7.20 & 9.20

AT THE

MAJESTIC

Nathan Road, Kowloon.

Showing for the
FIRST TIME in Hongkong.

ARMY BANDS NEW BLOW.

CHINESE NATIONAL ANTHEM
TO BE PLAYED.

ORDER PUBLISHED.

British Army bands have to learn to play the new Chinese National Anthem—and they are counting themselves lucky that they have not got to sing it! According to recent Army Orders:

"With reference to paragraph 1364 (b), King's Regulations, 1923, a new Chinese National Anthem has now been published. All bands should be in possession of at least one set of music.... Army Order 320 of 1922, as far as it relates to the above anthem, is cancelled."

The Order carries with it the ordinance that all bands must be prepared to play this anthem whenever a Chinese state occasion may arise—the arrival of a Chinese minister or Government delegation in England, or a ceremonial performance by the troops in China.

The new anthem is comparatively little known. Even the Chinese Legation in London know only that it existed. It is the party song of the Kuomintang, the Chinese Nationalist party, who are the latest Government in China.

The music was sent from China to Kneller Hall, the Royal Military School of Music, where the director arranged it for British military bands.

An English translation of the words does not exist at the moment, and it will be very difficult to translate, as it is a philosophical treatise on the high ideals of the Kuomintang, how it is "to advance the culture of the great nation and the cause of the party for which so many brave hearts sacrificed themselves."

CALCUTTA SWEEP TICKETS.

(Continued from Page 1.)

Mr. Cummings, a mercantile assistant from Calcutta, who is on furlough in England, drew a Rustom Pasha number. It is reported that he sold a half share for £6,000.

A Manchester tobaccoist named Lowndes, who drew Apron seven years ago, is reported to have drawn The Scout II in the Calcutta Sweep and to have sold a half share for £2,500.

Other Prizes.

Calcutta June 3. It is understood that Mr. E. S. Lewis, of Messrs. Shaw Wallace, Ltd., who drew Ballyferis, in the Calcutta Sweep sold a half share for £3,500 to a syndicate formed by Messrs. Place, Siddons and Gough, stockbrokers.

Three chaprasis (office messengers), who drew Silver Flare, are said to be employees of the Mercantile or the Imperial Bank.

They were at first going to share a complete Rs. 10 ticket at Rs. 3 as 5, ps. 4 each, but the Sahib whom they asked to purchase the ticket for them told them to pay each Rs. 3, and that he would take a share. He thus holds a tenth share.

It is understood that the chaprasis were more than anxious to sell a half-share, but the Sahib was against it, since he was of opinion that Silver Flare possessed an excellent chance.

A Burnley man, Tom Sutcliffe, drew Silver Flare in the Calcutta Sweep and sold a half-share for £3,000.

COUNT BETHLEN'S VISIT.

MR. MACDONALD REFUSES TO
STATE OBJECT.

London, June 19.

Count Bethlen, Hungarian Premier, and Countess Bethlen, who have been visiting London as the guests of the British Government, left for Hungary this morning.

Asked in the House of Commons what was the object of Count Bethlen's visit, the Premier replied that the Government had always declined to say why a Government's hospitality was or was not offered, and he was afraid he must adhere to that rule on the present occasion.—British Wireless.

London, June 19.

The Foreign Minister of the Chinese National Government has verbally informed the British representative in China that his Government accepts responsibility for British property as well as British lives in the war zone.—Wireless.

WAR ON PIRATES & BANDITS.

VIGOROUS ACTION BY
CANTON.

TROOPS GOING OVERLAND TO
FIGHT REBELS.

CHANGE OF PLANS.

Canton, June 19.

A determined effort is to be made to rid Kwangtung Province of bandits and pirates. General Chan Ming-shu, Civil Governor of Kwangtung, has issued orders through the department of Civil Affairs of the Provincial Government to the magistrates of the Nam Hoi, Tung Kuan, Shun Tak, Pun Yu and Chung Shan Districts and also to all those magistrates in the East River District where banditry has been particularly bad since the beginning of this year to the effect that the military and the police in their districts are to carry out raids on the bandit lairs within one month of the date of the order.

Wherever possible, the Naval Headquarters will despatch gunboats of the 4th Naval Squadron, Kwangtung Provincial Fleet, to assist in these raids.

General Chan Ming-shu has even instructed the Department of Civil Affairs to draw up a list of regulations and punishments to govern the magistrates in the case of non-compliance with this order within one month of date.

Banditry, which for many years had been very rife throughout Kwangtung, especially in the East and North River Districts, had been practically suppressed during 1929, but the civil war between Kwangtung and Kwangsi during the last part of 1929 and the first four months of this year, which had necessitated all the troops being removed from these districts to proceed with the campaign in Kwangsi, gave an unexpected opportunity for a recrudescence on the part of the bandits and pirates, an opportunity of which they very fully availed themselves.

Troops to North.

Once again there are very few troops in the Province, practically the whole of the 6th and 8th Route Armies having been ordered to the North to re-inforce the Nationalist armies in their defence against the Kuomintang Shansi invasion. It is on this account that General Chan Ming-shu has given orders that each district magistrate is to take the matter up on his own, within his district, using his police to assist the local military.

Since the assassination last week of General Lui Woon-yim, Civil Governor of Kwangsi, in Canton, General Yu Hon-mou, of the 69th Division, has been acting Governor. He has a number of independent brigades in Kwangsi and also some loyal Kwangsi brigades to preserve order in the Province; furthermore, two divisions from Yunnan under General Lung Yan are proceeding now through Southern Kwangsi to Nanning to preserve order in that region.

It is reported that the remains of General Lui Woon-yim have been embalmed and will shortly be taken to Kwangsi to be buried at his native place at Luchuan.

To Fight the Rebels.

Troop movements are still very considerable in Canton and almost daily large coast steamers are leaving for the Yangtze crowded with men from the 8th Route Army.

A slight change in tactics is reported. It appears that the remainder of the 8th Route Army, after the last few troopships left in the next few days, will not proceed to the North by coast, but will be formed into an expedition under General Chan Chai-tong, Military Governor of Kwangtung, Kwangsi, Hunan and Fukien, and will leave Canton shortly by rail proceeding via Shikwan and overland through Hunan, where they will endeavour to attack the remainder of the Kwangsi rebels and Ironsides which are at present in the neighbourhood of Changsha under General Chang Fat-kwei.

These rebel troops were in occupation of Changsha for over a week but it is now reported that Changsha has been retaken by Nationalist troops attacking from the North. The idea now is to once and for all exterminate the Kwangsi and Ironsides rebels by attacking them at the same time both from the North with the 8th Route Army.

May Go to Yangtze.

If General Chan Chai-tong is successful in this plan he will proceed onwards to the Yangtze with his army to further re-inforce the Nationalist troops there in the Kuomintang-Shansi campaign.

During the absence on this campaign of General Chan Chai-tong, his Chief of Staff, Colonel To

BRITISH TRADE IN EAST.

MILITARY EXPENDITURE IN
HONGKONG.

COST OF THE TROOPS.

That the British Government is becoming alive to the importance of their country's trade interests overseas has been increasing apparently of late. A remarkable message from a well informed military correspondent shows that this enlightenment is proceeding apace. He says:

With regard to military expenditure in China, the land situation makes it impossible to carry out any serious reductions of force.

Labour politicians have been somewhat staggered by the information given in committee of the immense volume of trade which they have to protect, a commerce vital to the United Kingdom and conducted from what is in effect a British coast line in the China Sea. During 1930, a sum of £23,600 will be expended on military quarters.

At Hongkong, the new quarters at Stonecutters Island for married officers will be completed and new quarters for married N. C. O.'s and men will be commenced. Other works services in connexion with additional troops at various places will take about £14,000.

A sum of £270,000 has been earmarked for extra cost of the additional troops in China, but Hongkong this year pays to the Imperial revenue £387,000 for army costs, which is on the basis of 20 per cent. of the assessable revenue of the Colony.

MATHEMATICS IN COURT.

(Continued from Page 1.)

based part of his calculations for food, it gave 28,000 B.T.U.s for produce for room No. 3, while Mr. Hacker's calculations gave only 8,000.

Is it not remarkable that for the same class of room, Mr. Hacker gives us 8,000? Can you give me any explanation?—I would not attempt to explain Mr. Hacker's working-out.

Poultry Storage.

Witness said he could not attempt to explain the difference between the loss of 8,000 B.T.U.s as worked out by Mr. Hacker and the figure of 28,000 as given by calculations from the blue slip, upon which Mr. Hacker himself partly based his working.

Mr. Potter enquired of witness as to his maximum load for the poultry room. Mr. Rasey replied 600 lbs. He allowed that 200 chickens at a weight of 3 lb. each could be hung in the room.

Mr. Potter pointed out that there was a wide difference between the weight of the fish and the poultry. Witness would allow a maximum weight of 2,240 lbs. of fish but only 600 lbs. of poultry.

More Calculations.

His Lordship:—Are the rooms the same size?—Yes.

Mr. Rasey disagreed that chickens could be frozen in a temperature of 15 degrees, and Mr. Potter asked him to let them have authorities as to the freezing point for poultry and fish.

Mr. Rasey was also asked to work out his calculations for the loss of B.T.U.s for fish and poultry on the contractual temperatures, and not what he considered were correct.

Witness worked out his calculations for the loss of B.T.U.s for 600 lbs. of poultry, but Mr. Sheldon pointed out that he had multiplied by 90 instead of 75, the difference between 90 and 15, and added "His mathematics appear to be as weak as mine."

The case is proceeding.

RESCUE BY INDIAN CONSTABLE.

UNEMPLOYED CHAUFFEUR
ATTEMPTS SUICIDE.

An Indian constable, P. C. B119, effected a prompt rescue yesterday when he jumped into the harbour after a Chinese who had thrown himself from the Canton Wharf.

The would-be suicide, suffering from the effects of his experience, was given first-aid and subsequently removed to the Government Civil Hospital. He gave his name as Yip Fook-fat (24), and his calling as a motor-driver, but said he was without employment.

Yick-him, will be acting Commander of the Canton Garrison and Military Headquarters here.

The Provincial Government of Kwangsi, acting under General Yu Hon-mou, is at present directing Provincial affairs for Kwangsi from Wuchow, the Government not yet being re-established at the capital, Kweilin.—Our Own Correspondent.

BIG TIME

ALL TALKING Fox Movietone Drama
WITH LEE TRACY



MAE CLARKE-JOSEPHINE DUNN

MUSICAL

SONGS

by Mue. Kureno.
"Shadow Song"
"Song of India"

NEWSREEL

Barrel looping at Daytona. Admiral Byrd homeward bound. Paris celebration Lenten Festival. Lincolnshire won by French horse.

AT THE

QUEEN'S

TO-DAY & TO-MORROW
At 2.30, 5.10, 7.15 & 9.20

HIGHLIGHTS IN THE LIFE OF A "GIGOLO"

An exciting, colourful drama

With

ROD
LA
ROCQUE,
JOBYNA
RALSTON.



AT THE

WORLD

TO-DAY & TO-MORROW

At 5.15 & 9.20 Only

2.30 & 7.15, Chinese Picture, "Unrequited Love."

FROM MICHAEL ARLEN'S FAMOUS NOVEL



JOHN

GILBERT

GRETA

GARBO

A Woman of Affairs

AT THE

STAR

TO-DAY & TO-MORROW

At 5.30 & 9.20